

THE TIMES
1785-1985

Tomorrow

Kremlin wives
The women behind the Politburo leaders

Corporate undertakers
The brutal business of receivership

Civilized Scots
Miles Kingston on the Scots' freedom from drink laws and gambling

Celtic crunch
Preview of the Scotland v Wales clash at Hampton Park

Portfolio

The Times Portfolio competition prize of £6,000 (three days' prize money because no one won on Friday or Saturday) was won yesterday by Mr Douglas Stuart of Sudbury, Suffolk. Start of list, page 24; how to play, Information Service, back page

MI5 veil of secrecy to remain

The Prime Minister last night vetoed the appearance before any Commons select committee of the director general of MI5 or any other members of the security services. Since allegations in a Channel 4 documentary about MI5, pressure has grown for it to be subject to parliamentary accountability.

Price held down

The London Electricity Board will vote today to increase tariffs by only 2.9 per cent, despite the Government's wish for electricity price rises in line with inflation.

£2.5m drug haul

Customs and Excise officers seized high quality cannabis resin worth £2.5 million in Yardley Wood, Birmingham. One man was arrested.



Killer JP jailed

Kenneth Pegg, a property developer and magistrate aged 36, was jailed for life for murdering his former fiancée's lover.

Exports threat

Opportunities for exporters are being hampered by Treasury demands for cuts in embassy manpower, Lord Jellicoe, British Overseas Trade Board chairman, claims.

SPECIAL REPORT

As the Queen and the Duke of Edinburgh begin their state visit to Portugal, a six-page Special Report looks at the political and economic problems facing 'Britain's oldest ally' as it prepares to enter the EEC. Pages 15-20

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Letters: On hospital needs, from Dr N. Jones and Dr P. Hilton

Leading articles: Directors' salaries: Honeyford case

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Lord Young sees a changing attitude towards change

Canada hitches itself to America's star; Ethiopian Jews: problems in the promised land; Paris fashion: Bankruptcy laws under scrutiny: part one of a series

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Computer Horizons, 26-29

Did the Budget boost hi-tech? IBM snubbed with home micro; Software gets smarter

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Reagan protests to Russians over US major's death

From Christopher Thomas, Washington

The United States reacted angrily last night to the fatal shooting of an apparently unarmed American army major by a Russian guard in East Germany on Sunday. It said there was no excuse from the Russian side. The use of force was totally unjustified, America expected a full explanation. "We are resentful and it is an unwarranted tragedy," President Reagan said.

The killing has the makings of a serious international incident with possible repercussions for the Geneva arms talks that have just got under way for the United States and the Soviet Union.

Both governments exchanged protests yesterday. The Soviet Union expressed regret but the Russian embassy in Washington alleged that Major Arthur Nicholson, aged 37, was caught red-handed photographing Soviet military equipment in East Germany. It said he had been killed while trying to escape.

Major Nicholson was killed in Ludwigslust, about 70 miles north-west of East Berlin. The Russian Embassy said that two United States military mission soldiers entered the area of a restricted military installation in Schwerin, despite clearly visible warning signs in Russian and German. The United States yesterday denied that the soldiers were in a restricted area.

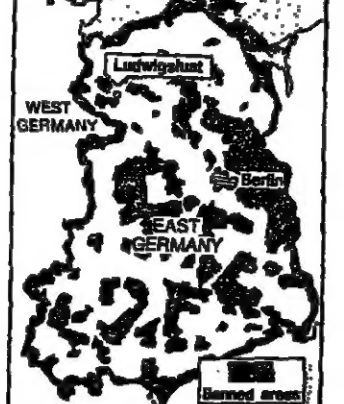
The Russian statement continued: "One of the United States officers, wearing a camouflage suit and carrying a camera, penetrated directly into the territory of that installation and photographed combat equipment and was caught red-handed by a Soviet sentry." The other man, described as a driver, was said to have been apprehended in a vehicle near by. United States officials in Washington said that soldier, a sergeant, was being debriefed.

Mr Vladimir Kulagin, the

Russian Embassy spokesman, said in a prepared statement that according to information received from the Soviet military authorities the officer failed to heed a sentry's warning shot before he was killed. "The Soviet side has launched a resolute protest," he added.

President Reagan was awakened with news of the incident early yesterday by Mr Robert McFarlane, his national security adviser. Mr George Shultz, the US Secretary of State, later gave the President a full briefing.

Mr Oleg Sokolov, the Soviet Minister-Counsellor in Washington, the second most



East Germany: the forbidden areas

senior official at the Russian embassy, called at the State Department yesterday to discuss the incident. American officials said an investigation had been launched.

"There can be no excuse from the Soviet side for this tragic incident," Mr Bernard Kalb, a State Department spokesman said yesterday. He said the Soviet Union had expressed regret at Major Nicholson's death.

Under post-war agreements with the Soviet Union, the big three Western powers - US, Britain and France - have

military missions in East Germany with headquarters in Potsdam, outside Berlin.

Technically the missions provide liaison between the commanders-in-chief of the western forces and their Soviet counterparts. Their presence is seen as contributing to stability in central Europe, although unofficially their activities are referred to as licensed spying.

The State Department said yesterday: "The United States military liaison commission operates on the basis of a 1974 agreement between the commanders of the US and Soviet forces in Germany, and any use of force is totally unjustified."

Defence forces familiar with the US military liaison mission to which Major Nicholson was attached said it serves as a training ground for American military officers to become experts on the disposition and makeup of the Soviet armed forces. The Defence Intelligence Agency, the Pentagon's intelligence branch, operates a small school at Potsdam, the sources said. They added that a similar Soviet Union mission in West Germany is known to conduct espionage. Mission members of both sides are permitted to travel freely in their areas of assignment except in restricted military zones.

Lt. Col. Miguel Montiverde, an army spokesman, said Major Nicholson, from West Redding, Connecticut, joined the army on May 1, 1969. A Russian linguist, he had been posted at the military mission in East Germany since February 1982.

Pentagon officials who asked not to be identified rejected suggestions that Major Nicholson was a spy. However, they acknowledged that the Defence Department posts officers to the office with the goal of increasing their knowledge about Soviet armed forces.

Major Nicholson was married and had a daughter, aged eight. First death, back page

Counting the missions' cost

By Rodney Cowton, Defence Correspondent

The shooting of Major Arthur Nicholson is regarded as the most serious incident to have occurred involving a member of one of the military liaison missions which the United States, Russia, France and Britain have maintained for nearly 40 years in the former occupation zones of East and West Germany.

There was, however, a previous death last year when a member of the French mission was killed in a collision with an East German army vehicle.

But lesser incidents are by no means uncommon, with members of missions sometimes being briefly detained or harassed or warning shots being fired to keep them away from sensitive areas. One western military source yesterday described the number of such incidents as being almost a barometer of the state of relations between East and West.

The missions were set up in 1946 and 1947 under the four-power agreement of 1944-45

dealing with arrangements for the control of occupied Germany. Britain, France and the US have missions in East Germany, based at Potsdam, and the Soviet Union has liaison missions in West Germany at Bunde, Baden-Baden and Frankfurt in the former British, French and American occupation zones.

Technically the missions provide liaison between the commanders-in-chief of the western forces and their Soviet counterparts.

Continued on back page, col 1

Yarrow yard sold to GEC for 'good price' of £34m

By Jonathan Davis, Business Correspondent

The State-owned Yarrow shipyard on Clydeside has been sold to GEC, Britain's largest electronics group, for £34 million, Mr Norman Tebbit, Secretary of State for Trade and Industry, told the Commons yesterday.

The deal is the first major step in the Government's programme of returning all British Shipbuilders' shipyard to the private sector.

The Yarrow employs 5,300 men. Its prime business is building frigates for the Royal Navy. Last year it made a trading profit of £11.2 million on sales of £29 million, although profits are likely to be down in the current year.

How many of the workforce are likely to keep their jobs was not clear last night. Both British Shipbuilders and GEC said they had nothing to add to Mr Tebbit's statement.

GEC is one of Britain's

largest industrial concerns, with a turnover of more than £5,000 million, and a wide range of interest in the electronics, telecommunications and engineering fields. Its managing director, Lord Weinstock, has been criticised on several occasions in the last few years for failing to invest the company's huge cash reserves - now about £1,600 million.

Mr Tebbit called the Yarrow deal an excellent start to the privatization of the shipyard. He added: "It is an encouraging comment on our economic policy that a company the size of GEC, which has been much criticized for sitting on a cash mountain rather than investing in industry, has decided to invest in shipbuilding."

The only other company to bid for the Yarrow yard was Trafalgar House, the shipping, property and construction group which last year bought

British Shipbuilders' troubled Scott Lithgow rig-building yard, also on Clydeside. Lazards, the City merchant bank, which handled the sale, said last night it believed British Shipbuilders had obtained a good price for the yard, which had not assets valued at just over £20 million.

The Yarrow company, which owned the yard before nationalization and is still seeking extra compensation from the Government in the European Court of Human Rights, ruled itself out of the bidding last month, saying it could not afford the purchase price. An attempt by the management to arrange an employee buy-out of the yard collapsed after workers voted not to back the idea.

The sale has gone through despite the fact that the Ministry of Defence refused to give any indication of what future orders might be placed with the yard.



First hand: Prince William, who is two years old, settling into his royal duties with typical aplomb, shaking hands - for what is believed to be his first public hand shake - with Group Captain Jeremy Jones of the Queen's Flight, at Aberdeen Airport yesterday.

Mr Punch wants the Express

By William Kay City Editor

United Newspapers, the publisher of *Punch*, the *Yorkshire Post* and a string of other provincial newspapers, wants to take over Fleet Holdings, which owns the *Daily and Sunday Express*, *Daily Star*, newspapers in Wales and Cornwall, and the Morgan-Grampian group of trade and technical magazines.

Mr David Stevens, the chairman of United Newspapers, said yesterday that he had asked Mr Norman Tebbit, the Secretary of State for Trade and Industry, for "consent in principle for the transfer of



Mr Punch: unwelcome bid for Express Crusader

ownership of Fleet's newspaper titles." This amounts to a request for a Monopolies and Mergers Commission investigation into the proposed takeover bid. It is the first time that such a request has been made.

Lord Matthews, chairman of Fleet, was unavailable for comment. But he has made no secret of his view that he would not welcome a bid from United Newspapers, which has acquired 20.1 per cent of Fleet's shares this year. Most of them came from Mr Robert Maxwell's Pergamon Press.

Mr Stevens, a merchant banker by training, previously said that he regarded United's Fleet stake as "a long-term investment". But it was widely expected in Fleet Street that he would sooner or later launch a full-scale bid. The monopolies inquiry is likely to take several months.

Fleet battle, page 21

Heath in clash over jobs policy

By Julian Haviland Political Editor

Mr Edward Heath, the former Conservative leader, was drawn into an altercation with Cabinet ministers and Conservative backbenchers on the last day of the Budget debate in the Commons yesterday when he again urged the Government to alleviate unemployment through increased public investment.

He called on Mr Nigel Lawson, Chancellor of the Exchequer, to have "the courage to change his policy to deal with the emergency of nearly four million unemployed."

The Government had to find jobs for them, or "Britain will be left with a legacy of dereliction and massive unemployment for decades to come."

Mr Heath also warned the Government that any proposal to abolish wages councils would lead to considerable opposition from Conservatives.

He welcomed the proposed extension to the Youth Training Scheme, but said many backbench Tories would find it difficult to accept the removal of supplementary benefit from those who did not accept training places.

As Labour MPs cheered Mr Heath, the Prime Minister's backbench supporters shouted "why?" at him, and he replied: "Because I believe in freedom of the individual."

Taken with the abolition of wages councils and the removal of safeguards against unfair dismissal, unscrupulous employers could employ young people on a low wage and dismiss them in less than two years to take on more young people, Mr Heath said.

Mr Lawson interrupted to ask why Mr Heath, when Prime Minister, had introduced a statutory pay policy.

He replied that he had done so, with the full support of every colleague - a reference to Mrs Thatcher in particular - in the "extreme position" of the world inflation of 1972-73.

Parliament page 4

Whitehall unions call off strike but promise defiance

By David Felton, Labour Correspondent

Left-wing Civil Service union leaders last night bowed to the law and called off an unlawful one-day strike planned for Monday, but in an immediate act of defiance to the Government started the process for mounting a campaign of "guerrilla" disruption next week.

The executive of the Civil and Public Services Association, which had been served with a writ by the Treasury ordering the 24-hour stoppage to be called off, decided by 11 votes to 10 to comply with the law.

Next week's action, if supported by members in a fresh ballot, would hit benefit offices, ports, airports, courts and customs operations from Tuesday.

The union will hold two secret ballots, both of which will comply with last year's Trade Union Act. One ballot will be held among the thousands of members chosen for next week's selective action, and the other will be a vote of the entire membership of 150,000 on a new one-day strike on April 15.

A meeting of leaders of the Society of Civil and Public Servants, who have won a narrow majority in a ballot among their members for next Monday's strike, was expected to call the stoppage off and instead swing alongside the plans being drawn up by the CPSA.

The two other Civil Service unions holding ballots on the April 1 strike have recorded votes against. The Civil Service Union had a 3-1 majority against action, while the tax officers' union voted by a tiny 161 majority not to strike.

Yesterday's three-and-a-half-hour meeting of the CPSA executive revealed a split in the largest left-wing grouping with several members allying themselves with Militant Tendency supporters and voting to defy the law and run the risk of a punitive fine and a claim for damages by the Government.

In the end a coalition of moderates and "soft" left supported the union's general secretary, Mr Alistair Graham, who argued that to defy the law would damage the union and distract attention from the main aim, which ought to highlight the inadequacy of the Government's 4 per cent pay offer.

Mr Graham said after the meeting: "I am very pleased that the issue now is not the Government's legislation, but the Government's approach to Civil Service pay. We will now fight to win a vote for industrial action to show to the Government the depth of discontent that exists in the Civil Service."

Ministers are resigned to the possibility of some disruptive action in government offices next week and it is understood that they will sanction a slightly improved offer to the Civil Service unions which together represent 500,000 white-collar staff.

The CPSA executive yesterday decided to earmark £1 million to finance the selective action involving 50,000 strike days for members who will receive 85 per cent of their normal wages. Union officials said last night that "straw polls" conducted recently in departments selected for action had indicated that there would be support from members.

Exam disruption threat by unions

By Lucy Hodges, Education Correspondent

The leaders of the two largest teaching unions gave warning yesterday that stronger action, which could mean disruption of examinations, would be urged if the Government or local authority employers made no move to resolve their dispute by Easter.

Mr Fred Jarvis, general secretary of the National Union of Teachers, said that if there was no move there would certainly be calls for even stronger action. He did not spell out what this might entail but it is bound to mean disruption of examinations. Mr Nigel de Gruchy, assistant general secretary of the National Association of Schoolmasters/Union of Women Teachers, said that some of his members were certain to call for disruption of examinations at the Easter conference.

The NAS/UTW executive would oppose this, but he did not know whether they would

be able to hold back the militants this year, he said.

In its final week of action before Easter, the NUT is planning to disrupt the education of 355,000 children through its three-day elective strikes. A total of 8,500 teachers are being called out in 466 schools in 52 education authorities. The NAS/UTW continues its selective strikes - this week in 22 local authorities, which is expected to affect the education of £250,000 children. The union has decided to continue this action into the summer term.

Yesterday Mrs Sheila Naylor, of the National Confederation of Parent Teacher Associations, said it was time all parties got back round the negotiating table. "We have to think about the future of our children," she said. "Children's education is at risk and parents are getting very angry."

Disruption stepped up, page 2



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Diary, page 12

Third Briton kidnapped in Lebanon

A British writer on assignment in Lebanon for the United Nations Relief and Works Agency was kidnapped by gunmen yesterday just south of Beirut as he returned to the capital from Tora in southern Lebanon. (Our Correspondent writes.)

Mr Alec Collett, aged 63, who has been preparing articles on the activities of the agency, which takes care of Palestinian refugees, was abducted from a car which bore the UN insignia.

He is the third Briton kidnapped in two weeks: Mr Terry Davidson, the agency's chief information officer, believed the unknown gunmen were connected with the other kidnappings.

Frenchman seized, page 6

Reticent Scargill arrives in Moscow

From Richard Owen Moscow

Mr Arthur Scargill arrived in Moscow last night for talks with Soviet officials but declined to say whether he would discuss officials but declined to say whether he would discuss Soviet aid for British miners during the recent strike of how much the Russians had donated.

Mr Scargill said he had come to Moscow to discuss arrangements for an international miners' conference in Britain later in the year, and would return to Sheffield by Thursday. He is the guest of the Soviet coalworkers' union.

As Mr Scargill flew in on British Airways, Soviet television showed a documentary called "350 days on the picket line" - a television study of class struggles in Britain. During the miners' strike the Soviet



Mr Scargill: Strike cost blamed on Mrs Thatcher

media repeatedly attacked alleged "police brutality" on the picket line and portrayed the strike as a class struggle against a vicious anti-working-class Conservative Government.

The state-controlled miners' union collected thousands of

roubles for striking British miners from "class comrades".

Mr Scargill said on his arrival that the strike had cost the British taxpayer £5.5 billion "thanks to Mrs Thatcher's intransigence", but refused to say exactly how much the National Union of Mineworkers had received in Soviet donations. He appeared irritated by the question.

The television documentary showed Mr Scargill leading a miners' march and raising a clenched fist in victory salute to supporters. It quoted him as saying the miners had won even though the strike had been defeated, and the programme of pit closures had been abandoned.

The film showed reported scenes of picket-line violence and portrayed the police as the brutal instruments of capitalism against a background of mass unemployment.

social strife and the steady erosion of trade union rights by the Government.

It showed Britain as a country where pensioners freeze to death and the police charge workers menacingly with batons, and ended with the dramatic words: "The miners' struggle continues". It made no mention of violence between miners during the strike.

Ironically *Pravda* yesterday lambasted the management of the Soviet coal industry and Soviet miners for poor performance, saying the miners lacked expertise and their equipment was inadequate. The paper criticized dismal labour productivity in Soviet mines and singled out the Kuzbass, a basin in Siberia, where it said miners had been failing to meet targets for years.

Diary, page 12

Exports 'reduced by cuts in trade missions overseas'

By John Lawless

Sales opportunities for British exporters are being hampered by Treasury demands for cuts in commercial representation overseas, Lord Jellicoe, chairman of the British Overseas Trade Board, said yesterday.

Manpower cuts in embassies and high commissions had "gone very close to the bone and, in certain instances, too close to the bone", he said, presenting the board's annual report.

In the United States, Britain's main single market for manufactured goods, the British Trade Development Office in New York was struggling to cope with a 50 per cent rise in inquiries from British exporters, without an increase in staff numbers, Lord Jellicoe said.

The US was the largest and fastest-growing market for Britain's job-creating, factory-made goods, he added. Excluding sales of oil and erratic items like precious stones and metals, British exports to the US rose by 41 per cent last year.

Lord Jellicoe said that British overseas representation had recently been cut by 9 per cent, after 30 per cent cuts in overseas trade board staff in Britain in the last four years.

and that was having a considerable impact on particular markets. "I am not blaming the Foreign Office", he said. "They have had these cuts imposed on them."

Closure of the British Embassy in the Dominican Republic had had unseen repercussions on the trade front, Lord Jellicoe said. The Dominican Republic had retaliated by closing its embassy in London, at a time when trade specialists were planning to cover the important US market segment of Puerto Rico from that country.

He added: "There is also a very strong case for having commercial representation in Miami. South Florida is one of the fastest-growing sectors of the US economy, and it would also give us a tremendous window into the Caribbean, Mexico and Latin America."

Businessmen who are official advisers to the Government on trade policy in the Middle East had made a good case for a stronger commercial representation in their markets, Lord Jellicoe said.

Another example of a "damaging" closure had been the withdrawal of the British Consulate-General in Stuttgart,

Sogat to appeal over newspaper strike ban

The print union Sogat '82 will today appeal to the High Court over a ban on industrial action at *The Sun* newspaper which was halted again today (our Labour Reporter writes).

Counsel for the union will argue that an injunction granted to *News International*, the newspaper's publishers, was based on incorrect information.

Sogat will contend that its officials did not order the disruption which stopped six days production of *The Sun* and *Sunday's News of the World*.

The action was brought under last year's Trade Union Act which provides for secret ballots for strikes if civil immunity is to be retained.

The National Graphical Association was thought not to be involved in Sogat's legal moves.

The issue at the centre of the unrest however is thought to be management plans to transfer the printing operation to London's Docklands.

A debate on the problems of the newspaper industry takes place tomorrow in the Commons. It will be sponsored by Mr Peter Brundage, Conservative member for Leicester East who said there was "industrial anarchy" in some of the compositor rooms of national newspapers. He said it was a scandal that *The Sun* had lost millions of copies through union activity.



Ma Satyam, head teacher and some students, at Herringswell Manor school (Photograph: Bill Warhurst).

Cult children left in Britain

By Michael Horsnell

Followers of an Indian mystic who advocates a philosophy of independent minds have abandoned Britain for communes on the Continent - leaving many of their children behind.

About 140 children, aged between three and 15, are being brought up without their parents at a £350,000 Victorian mansion at Herringswell in Suffolk, which was originally bought by the Medina Rajneesh sect three years ago.

The Rajneeshes, known locally as the Orange People for the saffron coloured clothes they wear, number about 4,000 in Britain. About 200 of them set up their British headquarters in Herringswell Manor.

But alleged persecution of other members' children in Germany, Russia and French state schools led them to close the commune and convert the house to a school for followers' children throughout Europe.

The exodus of adults without their children and the arrival of foreign children in Britain is said to have alarmed relatives outside the sect.

"Some of the local people here think we're weird until they meet us. We don't take children against their will, as some people might think, and no child came from a Rajneesh without the consent of his parents."

"We just like being happy and realizing our own potential. Parents and children will be able to visit each other."

Sarah Folkard, a Cambridge history graduate, told *The Times* the parents decided it was better for them all to be together because they were split up in towns and cities in different parts of Europe.

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Ma Satyam, aged 30, its head-teacher (formerly Miss

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head-teacher in Herringswell Manor).

Average increase in rates will be 8%

By David Walker
Social Policy Correspondent

The year's average rate increase in England and Wales will be about 8 per cent. A preliminary survey of councils by the Rating and Valuation Association, released yesterday, showed that householders will face increased charges of just over 9 per cent and business rates rise of 7.95 per cent.

This compares with increases of just under 7 per cent and just under 6 per cent respectively in April 1984.

Not all the figures are available: most of the rate-capped London boroughs and metropolitan districts have still to set their rates. But the association has collected enough evidence to please ministers, who in December predicted rates rises "in low single figures".

In the big cities average rises are more than 12 per cent, while in the Tory controlled inner London boroughs such as Westminster and Kensington the average is under 4 per cent.

But there is some ominous news for the Government in the survey's finding that despite moderate rates rises many councils are still spending well above the Whitehall target. This could mean that aggregate council spending in 1985-86 will once again exceed the White Paper plan.

| TYPICAL RATE INCREASES | | | |
|------------------------|-------------------------------------|---------|---------|
| Council area | Average rate increase on Apr 1 1984 | 1984-85 | 1985-86 |
| Amersham & Chesham (C) | 743.87 | 2.2 | 2.2 |
| Croydon (C) | 438.22 | 13.3 | 13.3 |
| Richmond (L) | 438.22 | 8.3 | 8.3 |
| Newcastle (L) | 304.71 | 20.1 | 20.1 |
| Doncaster (L) | 331.29 | 6.7 | 6.7 |
| Walsley (C) | 280.38 | 11.5 | 11.5 |
| Sheffield (C) | 280.38 | 11.5 | 11.5 |
| Stratford (L) | 322.07 | 8.3 | 8.3 |
| Plymouth (C) | 281.76 | 8.1 | 8.1 |
| Canterbury (C) | 268.88 | 8.1 | 8.1 |
| Warrick (C) | 368.81 | 7.3 | 7.3 |

Coaches to begin new battle for passengers

By Michael Baily

A fresh assault on British Rail's inter-city business is to be launched by the state-owned National Express coach concern as it moves towards privatization this year.

Luxury Rapide services which feature hostesses, video films and air conditioning, are to be doubled next month and the number of towns and cities served increased from about 100 to over 200.

Frequencies on key routes such as London to Birmingham and West Yorkshire are to be sharply increased, and National Express expects to take the number of passengers by the end of the year.

A key feature of the latest expansion in motorway coaches against trains is that the new deluxe features are beginning to attract businessmen - traditionally a railway stronghold - in substantial numbers.

With modern high-speed coaches and an expanding motorway network, the gap between road and rail travel has been sharply reduced between many cities, and the small businessman in particular no longer regards the extra cost of rail travel as necessarily worthwhile, according to National Express.

Between Swansea and London, for example, the motorway coach takes 3½ hours compared with 2½ by rail, and for the smaller businessman the gap is not great, Mr Jim Cressey, the company's network manager said yesterday.

The deluxe Rapide services, at fares £1-£2 more than standard coaches but still about 25 per cent less than rail, will spearhead an advance in total National Express coach travel expected to reach nearly 17 million passengers this year from about 7 million in the late 1970s.

Power union may lift ban on Communists

By David Felton, Labour Correspondent

The right-wing leadership of the Electrical Power Engineers Association is proposing next week to lift the ban on Communists holding office in the union, whose members control electricity supply and are regarded as being able to exercise the ultimate industrial sanction.

Delegates to the association's conference will discuss the executive's plans to lift the ban, which has been in force since 1951, and will also vote on moves to keep it in place.

Mr John Lyons, general secretary of the 33,000-strong union, and others in the leadership, are regarded as being firmly on the right of the union movement, but their move to lift the ban has been made to ensure that the union complies with last year's Trade Union Act.

Communists are not allowed to hold any office in the union, from the lowest branch office to president or general secretary.

The ban on Communists in the power engineers' union imposed after advice from the TUC general council when the Cold War was at its height. The issue has arisen in the union because one of the branches has asked to send a Communist delegate to next week's conference in York.

That request has been rejected.

Residents' action group yesterday won a High Court order blocking a £4.1 million sale of publicly-owned land, including an area of playing field, for housing at Manorcroft Fields, Egham, Surrey.

Mr Justice Gidwell ruled that Runnymede Borough Council had unlawfully entered into a contract to sell the 12.5-acre site for development.

The judge said that the council had failed properly to carry out its statutory duty to advertise the proposal and consider objections from the public under amendment in the Planning and Land Act, 1980.

Jewels gift
Jewels donated by Mrs Esme Anderson, aged 73, of London, are expected to raise about £400,000 for the new Newhaven lifeboat when they are auctioned in London today.

After a trial at Sharnbrook Crown Court in November, 1981, he was acquitted of being in unlawful possession of the ammunition.

Metropolitan Police denied they had planted the bullets or that there was any conspiracy to harass Mr Barnett.

Runners safe
Six Devon school children aged between 14 and 16 turned up safe and well yesterday at a remote Dartmoor farmhouse after being missing since the previous evening. A police helicopter took part in the search for the six, who had been training for the annual Ten Tors run.

The Times overseas selling prices: Australia \$20, Belgium 2,500, Canada \$20, Denmark 2,500, France 2,500, Germany 2,500, Greece 2,500, Hong Kong 2,500, India 2,500, Italy 2,500, Japan 2,500, New Zealand 2,500, Norway 2,500, Portugal 2,500, Spain 2,500, Sweden 2,500, Switzerland 2,500, Taiwan 2,500, Thailand 2,500, USA 2,500, West Germany 2,500, Yugoslavia 2,500.

Coal board accused by Nacods

From Tim Jones, Cardiff

The pit deputies' union, Nacods, accused the National Coal Board yesterday of renegeing on its agreement to implement the modified colliery review procedure before any decision to close a pit is taken.

Mr Ken Sampey, the union's president, indicated that it was prepared to make a test case of two pits - Bedwas, in South Wales, and Francis, in Scotland - to establish that the agreement reached during the National Union of Mineworkers' strike was effective.

Last week miners at Bedwas voted overwhelmingly, against the advice of their officials, to accept redundancy payments of up to £36,000 or be transferred to five other pits, after conceding that two coal faces had been lost because of the strike.

Although the coal board has not announced the closure of Bedwas, there are no plans to resume production at the 80-year-old complex, which has geological problems.

Mr Bob Clay, Labour MP for Sunderland North, yesterday denied using threatening and abusive words and behaviour during a miners' "back to work" march.

Sunderland magistrates were told that his alleged actions could have caused a breach of the peace outside Wearmouth colliery on March 5 - the day that the year-long dispute officially ended.

The case against Mr Clay, aged 37, of Park Parade, Sunderland, was adjourned until May 15 and he was granted unconditional bail.

Miners' dissidents move onto executive

By David Felton, Labour Correspondent

Working miners appear to have started to take their revenge on the leadership of the National Union of Mineworkers, with the two Nottinghamshire representatives on the national executive replaced yesterday by leaders of the area's dissident movement.

There were also indications last night that the ballot on a 50p-a-week levy to support dismissed miners' union members may have gone against the union leadership. If that surprise vote is confirmed today it will be seen by many as another sign of miners' displeasure with the leadership.

Mr Henry Richardson, the Nottinghamshire miners' union general secretary and Mr Ray Chadburn, the president, who were in favour of the strike, will be replaced on the executive by Mr Roy Lynk, the acting general secretary, and Mr David Pendergast, the union agent, leaders of the Nottinghamshire miners who worked throughout the 12-month strike.

Dismissed miner backed

Norman Lynch, aged 35, a dismissed miner, of Jackson Terrace, Meden Vale, near Mansfield, Nottinghamshire, yesterday won a legal battle to prove that he was unfairly dismissed by the National Coal Board. He said later that he would be seeing his solicitor to discuss the case. "I want my job back. I don't want any financial compensation," he added.

A Sheffield industrial tribunal ruled that the board were wrong to dismiss him after he admitted assaulting another miner outside his home. He

was conditionally discharged by Mansfield magistrates last summer.

The industrial tribunal ruled that it was domestic incident, not connected with the miners' strike. And a date has been set next month when a decision will be made on whether Mr Lynch gets his job back or is given compensation.

He was one of only 80 strikers at Wellbeck Colliery, Nottinghamshire, from a workforce of 1,300.

He said yesterday: "I am delighted with the outcome

Loveless marriage must go on

A wife whose love for her husband died years ago must stay married to him, the Court of Appeal decided yesterday.

Although the couple still share the same bedroom at their home in Holland Road, Clacton, Essex, they sleep in separate beds and have not had sexual relations for three years, the court was told.

But Mrs Justice Heilbron, Lord Justice Cumming-Bruce and Lord Justice Dillon ruled that the fact that love had gone out of the marriage was not enough to entitle Mrs Lyn Ballard, aged 32, to a divorce.

The judges upheld a High Court judge's decision last year that Mr Keith Ballard, aged 34, had not behaved in a way that made it intolerable for his wife to continue living with him, a charge he denied. They dismissed Mrs Ballard's appeal against the judge's refusal to grant her a divorce.

Mr Ballard agreed that there was no chance of making the marriage work again. He had contested the divorce for the sake of their children.



No divorce: Mrs Ballard.

Hooded witnesses in Belfast court

From Richard Ford, Belfast

Witnesses wore hoods and masks to conceal their identities when they appeared in court yesterday at the opening of a hearing into racketeering and extortion on building sites (Richard Ford writes).

The witnesses were protected by armed policemen as they sat in the witness box with their backs to the court room and gave evidence in muffled voices. Each man, identified only by letters of the alphabet, wore a dark blue anorak with a hood which was zipped to cover most of his face.

Underneath the hoods, the men, who all worked in Northern Ireland's construction industry, wore a balaclava helmet with a narrow eye-slit. When they were asked to identify the three men in the dock at Belfast Magistrates' Court, the witnesses turned round and peered into the main body of the court.

It is believed to be the first time that powers given under emergency laws allowing witnesses to conceal themselves have been used in a Northern Ireland court although in the past some Crown witnesses have disguised themselves with wigs and glasses.

Lawyers representing the three men facing charges of operating protection rackets said that none of the complainants had been identified in the summons and no specific place where the alleged offences took place had been named on the charge sheet. What is happening here is an abrogation of what the courts have stood for in the past and these men will be left to try to prove their innocence without knowing who was

making the charges," the defence said.

The magistrate allowed the preliminary inquiry to proceed, saying: "I have every sympathy with the defendants but because of the present situation in Northern Ireland it is not unusual to have witnesses identified only by letter."

James Craig, aged 43, David Fee, aged 31, and John Quee, aged 26 all from west Belfast, face 33 charges including unlawfully demanding money by threats from building contractors and possession of fire arms between 1981 and 1984.

The appearance of witnesses in hoods, who refused to reveal their names, where they worked and, in some cases, how much money was handed over brought protests from the defendants who at one stage pulled out balaclava masks and denounced the hearing. Mr Craig described it as "a complete and utter farce. It is a pantomime."

The hearing continues today

Man jailed for scissors attack

David Boylett, aged 27, of Walmer Terrace, Plumstead, London, described by the judge as violent and dangerous, was jailed for 12 years at the Central Criminal Court yesterday for stabbing a soldier in the neck with a pair of scissors.

Gunner Robert Pelling, aged 25, of the Royal Artillery, survived "by a million to one chance" after suffering a potentially fatal wound so rare that only six similar ones have been recorded, the court heard.

The hearing continues today

Scottish schools dispute

Teachers step up disruption

By Ronald Faux

The Educational Institute of Scotland (EIS) is stepping up its campaign of disruption in Scottish schools to press its demands for an independent review of teachers' pay.

The campaign began nearly three months ago and has affected thousands of Scottish secondary school children.

More than 200 teachers, representing every Scottish Parliamentary constituency, yesterday lobbied MPs of the Scottish Grand Committee, meeting in Edinburgh where Mr George Younger, Secretary of State for Scotland, insisted there would be no independent review.

A decision on such an important area of public expenditure could not be left to people unfamiliar with the subject, he said.

So far 18,000 teachers have taken action in schools in Scottish constituencies where the MP is a Tory of ministerial rank.

They are paid for any money

they lose by a levy on EIS members working normally and their action is self-sustaining, causing little drain on union resources.

Mr John Pollock, EIS secretary, has said it could continue for at least another year.

The linchpin in the campaign is a boycott on curriculum development for the new standard Scottish grades, which has been in force since last August.

That has already forced Mr Younger to postpone the second phase of the changes and is causing alarm to many parents and education officials.

Mr Younger's constituency in Ayr on Thursday the EIS is organizing a rally of the 18,000 teachers who have taken part in the campaign.

The vast majority of EIS members support the campaign as a "sophisticated" way of twisting the Government's arm. For every two teachers on strike there are three support-

ing them financially. "They also serve who only pay their levy", was how the union explained the system.

The teachers claim support from the Labour, Scottish National and Alliance parties. Many local authorities, the churches and even two Scottish Tory MPs back their demands because of a 31 per cent erosion in salaries since 1974.

Mr Younger has said that to allow an independent review would provide the teachers with a blank cheque. This has reassured the EIS and kept its demands on how much the pay rise should be.

Mr Younger has offered an internal pay review.

The Government faces a dispute that could last far longer than the miners' strike and with only the possibility that hostile parents or even militant action by pupils themselves might persuade the teachers to negotiate on Mr Younger's terms.

Attempt to stop spraying fails

Mr John Purdey, a farmer of Dene Farm, Halse, Taunton, Somerset, failed in his attempt in the High Court in London yesterday to stop his cows being sprayed with an insecticide to prevent warble fly.


Mr Justice Mann said he had no jurisdiction to grant Mr Purdey an injunction to prevent Ministry of Agriculture workers doing the spraying today.

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JP who murdered lover of his ex-fiancée gets life imprisonment

Kenneth Pegg, a property developer and a magistrate, was jailed for life yesterday for the killing of his former fiancée's lover, Pegg, aged 36, remained calm at St Albans Crown Court as he was pronounced guilty of Murder and told by the judge that he had caused his victim "a most agonizing death".

It was the same sort of coolness which the prosecution said he showed after repeatedly plunging a foot-long surgical knife into Peter Goddard, a betting shop manager, aged 25.

The jury took four hours and 10 minutes to unanimously decide that Pegg killed Mr Goddard after discovering that his girl friend, Miss Ruth Thompson, aged 21, was secretly having sexual relations with Mr Goddard.

Pegg, who was also a lawyer studying for the bar, heard Mr Justice Caulfield tell him: "Before the age of 30, you had already acquired a status and rank in society which very few manage to reach at a later age. Your life has been studied with success and achievements. Now

this jury has said that you murdered Peter Goddard."

He said that he had no doubt what Pegg felt, but felt wrongly that Mr Goddard had interfered with his relationship with Miss Thompson, a business student, who in reality had no obligation towards him.

The judge continued: "I think a mixture of seething anger and jealousy led you to kill viciously a young man who could not have borne you any malice - and you gave him a most agonizing death."

The judge made no recommendation of any minimum sentence to be served.

Pegg, of Cow Roast, near Tring, Hertfordshire, had denied murdering Mr Goddard in August last year.

He became a magistrate in 1978 and sat on the Leighton Buzzard bench. The judge described him as articulate and educated, experienced with women, and "with a confidence approaching arrogance".

He was converting a village church to live in at the time of his arrest.



Kenneth Pegg (left), his victim, Peter Goddard, and the woman in their lives, Miss Ruth Thompson.

Thousands of women 'dying needlessly'

By Patricia Clough

A thousand women are dying needlessly each year in England and Wales because the cervical cancer screening system is largely inadequate, the Labour spokesman on health said yesterday.

The situation is a national scandal, Mr Frank Dobson told a press conference in London. He called on the Government urgently to set up a national computerized "call and recall" system for smear tests before more lives were lost. "How many more must die before the Government accepts the plain evidence that the existing local schemes are not up to the task?" he asked.

Mr Dobson produced a 120-page survey which he had conducted over the past five months. It showed that only seven out of the 201 district health authorities, or 3 per cent, had a proper call and recall scheme, as required by the expert Committee on Gynaecological Cytology.

Seventy-seven authorities, 38 per cent, had no scheme. The position was not clear with 10 authorities and the rest had a variety of schemes which did not meet the committee's requirements.

Teacher in race dispute takes sickness leave

Mr Raymond Honeyford, the headmaster at Drummond Middle School in Bradford, in whom councillors passed a no-confidence motion on Friday, reported sick yesterday. While he was at home in Manchester senior education officials in Bradford, were deciding on his future.

Yesterday, the first working day after the vote Mr Honeyford, whose remarks on multicultural education have caused controversy, contacted the school to say he would be absent for at least a week.

Leading article, page 13

Detective says raped child may never recover

The police chief leading the search for a man who raped a girl aged 10 at an hotel said yesterday: "It may be that this little girl will never get over the experience."

Det Supt Ron Archer said that moments before the rapist forced his way into the girl's room at the Moat House Hotel at Markyate, Hertfordshire, on Saturday, she saw him looking at her through a window.

Defectives say the man was white, aged between 30 and 40, between 5ft 8in and 5ft 10in in height and slim-built. He had dark collar-length hair.

Man who refused job 'fed racist prejudices'

A Rastafarian who last week refused a judge's offer of a job was given a nine-month jail sentence suspended for two years when he returned to the Central Criminal Court yesterday and announced that he had found work.

Judge Argyle, QC, did not carry out his threat to jail Everton Samuels because Samuels had found employment as a driver, earning £11.3 a week.

But the judge gave him a stiff reprimand and disclosed that the court had received many letters from unemployed people desperate for work and from fascists, and racists condemning the defendant's attitude.

Samuels, aged 27, a qualified technician, of Chalk Hill Estate, Wembley, north-west London, who admitted possessing a small amount of cannabis, had rejected the offer of a job from the judge because it was too far to travel.

Yesterday Judge Argyle told him: "You are living in a different world to the rest of us."

There are a lot of people that work in this court and have served their country well and travel a great deal more than eight miles to do their jobs."

Judge Argyle added: "As a result of the publicity which this case was given the court has received many letters from persons like you previous convictions who are unable to get work and from others who have never crossed the law and are desperate for a job."

The judge said Samuels's manner had done his people "little good" but has "fed the prejudices of racists who think that just because a person happens to be coloured he is automatically unfit to be part of their society."

Mr James Richardson, for the defence, told the court that Samuels had found work as a van driver, starting tomorrow.

Last week the judge spent his lunch hour trying to find a job for Samuels with an electrical firm.

Concorde goes to Moscow

British Airways' Concorde is to make its first visit to Moscow next month, less than a year since the Soviet Union's supersonic rival, the TU-144 or "Concordskii", was withdrawn from service (Michael Bailey writes).

The aircraft will fly 98 passengers who have paid £995 each for a trip that includes a night in the Russian capital, a visit to the Bolshoi and a city tour.

Concorde will fly subsonic while over Russia, and will take up to three hours for the trip - little different from the standard flight time.

Russia's supersonic aircraft had a disastrous debut when it crashed at the Paris Air Show in 1974. Last summer it was formally withdrawn.

Parents face murder charge

The parents of Gemma Hartwell, aged two, whose body was found buried in the Clent Hills near Hagley, Worcestershire, on Saturday, were charged with her murder yesterday at Birmingham magistrates' court.

Phillip Hartwell, aged 29, and his wife Yvonne, aged 25, of Waterworks Road, Edgbaston, Birmingham, were remanded in custody until April 1. Eugene Wright, aged 27, of Prince Street, Smethwick, West Midlands, who was charged with disposing of the child's body, was also remanded in custody.

Parachute error theory on crash

Flight-Lieutenant Ian Redwood, aged 30, an RAF instructor, died after telling a student pilot to parachute to safety before their two-seater Bulldog aircraft crashed into a field at Aston, Oxfordshire, yesterday.

Flight-Lieutenant Redwood, from RAF Abingdon, Oxfordshire, is believed to have tried to bale out but his parachute, somehow became detached and was found in a tree 400 yards from the wreckage.

Tory MP to stand down

Mr Tim Brinton, aged 55, Conservative MP for Gravesend, will not seek re-election at the end of this Parliament, for personal and business reasons. A broadcasting consultant and former journalist he was returned for Gravesend in 1979 and for Gravesend in 1983.

General Election 1983: 7,123 (Cons) 5,568; Labour 4,100; Liberal 1,700; UKIP 1,000; Green 100; Other 100. Total 10,000.

Richard Chamberlain stars in a two-part series, *Lost Hero*, based on the life of the Swedish diplomat, Raoul Wallenberg, who saved hundreds of Hungarian Jews during the Second World War.

The entertainment schedules are led by two new situation comedies. John Thaw heads the cast of *Home to Roan*, by the writers of *Hiding Damp* and *Duty Free*, about a divorced father newly reunited with his teenage son.



Mail on wheels: The Post Office's moving pillar box, introduced yesterday in Tonbridge, Kent, to collect business post, passing to let Miss Alison Murray and her daughter, Victoria, aged 2, post a letter. (Photograph: John Voos).

Son's killings blamed on drugs

The evils of drug taking, including LSD and glue-sniffing, were blamed for the awful "butchery" by a teenage son who killed his mother and grandmother. Stephen Webb, aged 17, a "punk rocker", murdered his family after taking LSD, the hallucinatory drug.

The two women were repeatedly stabbed with an eight-inch sheath knife at their home in London Road, Leigh-on-Sea, Essex. Then, having stabbed himself, Webb threw himself from an upstairs window. His body was found by a passer-by, still clutching the knife in his right hand.

Inside the house were the bodies of Mrs Pamela Webb, aged 38, and her mother, Mrs Marjorie Rolph, aged 70.

At an inquest in Southend, a report by Dr Peter Jerrett, a pathologist and lecturer in forensic medicine at the London Hospital medical college, said that each woman had been stabbed at least 13 times.

Mr Jerrett said that both women had died from haemorrhage due to multiple wounds. Webb then stabbed himself in the head and body 13 times.

The Home Office forensic science laboratory found no traces of drugs or alcohol in his blood.

Mrs Marjorie Rolph, of Clifton Road, Leigh, said that Webb had been brought up largely by his grandparents after the breakdown of his parents' marriage. At the age of 14 he had started drinking, then three years ago had started sniffing glue, and eating "magic mushrooms".

His friend, William Ballard, aged 17, a student of Hadley Road, Leigh, said they had sniffed glue and eaten "magic mushrooms" previously. On the night before Webb's death, he claimed to have taken two LSD tablets.

Mr Guy Jerman the Southend coroner said the house had been "a scene of indescribable carnage and butchery". The multiple stab wounds were the work of a madman or someone out of his mind.

He recorded a verdict of unlawful killing on Mrs Rolph and Mrs Webb, and that Webb killed himself while the balance of his mind was disturbed.

Child of 4, 'tortured, starved and imprisoned'

A girl aged four was so badly beaten, starved and tortured that scarcely a single part of her body was without injury, the Central Criminal Court was told yesterday.

Jasmin Lorrington was kept a prisoner in her parents' home with body-building weights strapped to an injured leg to stop her moving, a jury was told. When she died she was deformed and weighed 1 stone 9 lb.

She was subjected to appalling cruelty during a 10-month period until it was alleged she was battered to death last July by her father, Maurice Beckford, aged 25, with whom her mother lived.

Her mother, Beverley Lorrington, aged 24, was said to have helped him to hide the child from social workers by saying repeatedly that Jasmin was staying with her grandparents.

At the hospital where Jasmin was found to be dead, 40 separate injuries were discovered on her body.

Mr Beckford threw himself on the floor at the hospital and allegedly said: "I did it. I did it." When questioned by the police he admitted that he had killed Jasmin and said she "drove him crazy".

The next day he told a police officer that a year earlier Jasmin had "hurt her leg". He treated it with a liniment spray and "put weightlifters weights on the leg to stop her moving it".

Mr Beckford, a labourer, of College Road, Kensal Rise, north-west London, pleads not guilty to the murder of Jasmin. He admits charges of cruelty, assault and ill-treating her.

Miss Lorrington, of the same address, pleads not guilty to cruelty and to neglect by failing to inform social workers of Jasmin's condition and ill-treatment. She was said to be afraid of Mr Beckford and feared that the authorities might take her two other children into care. The trial continues today.

Chief Rabbi may have to explain dismissal

By Colin Hughes

Sir Immanuel Jakobovits, the Chief Rabbi, may have to appear in the High Court to justify the dismissal from the Jews' College, London, of one of Europe's most eminent Jewish scholars, Rabbi Simche Lieberman.

The summary dismissal of Rabbi Lieberman, who has been a senior lecturer at the college for 14 years and survived seven Nazi concentration camps, came after a personal and doctrinal clash between him and the college's new principal, Rabbi Jonathan Sacks.

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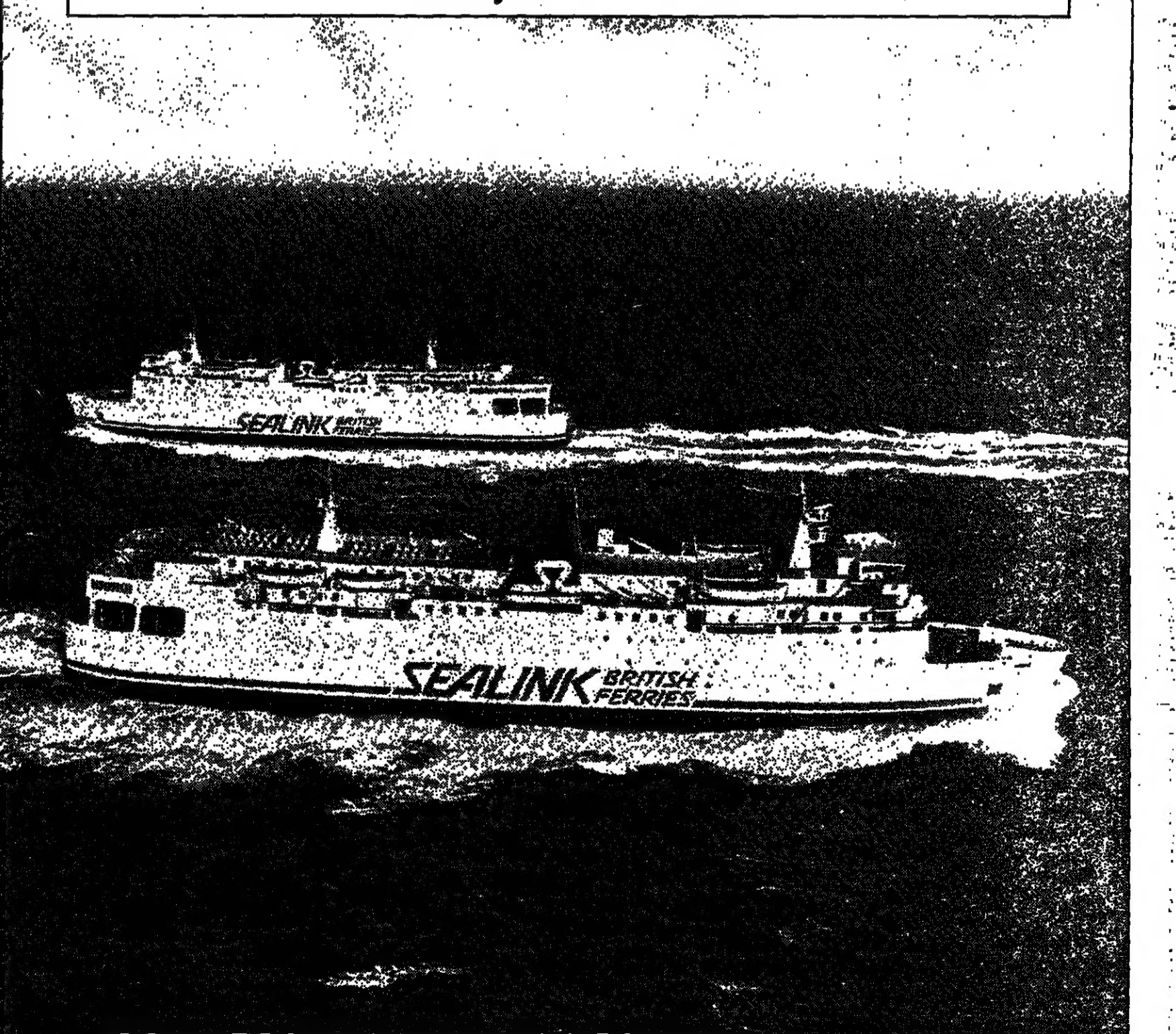
Rabbi Lieberman, who has been a senior lecturer at the college for 14 years and survived seven Nazi concentration camps, came after a personal and doctrinal clash between him and the college's new principal, Rabbi Jonathan Sacks.

Rabbi Lieberman objected, saying the course undermined orthodox Jewish teaching. As president of the college, the Chief Rabbi executed Rabbi Lieberman's subsequent dismissal, which was also backed by Mr Stanley Kalms, chairman of the governing body and chairman of the Dissons Group.

The dismissal is being fought by the Association of University Teachers' London branch, whose chairman, Dr Geoffrey Alderman, is also an orthodox Jew. He says the row has caused Rabbi Lieberman "deep anguish", and that he "deeply regrets" the Chief Rabbi's part in the affair.

Neither Rabbi Lieberman nor the Chief Rabbi will comment, but friends of Rabbi Lieberman at the college said yesterday that he had been given no formal reason for the dismissal.

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ITV launches spring offensive

By David Hewson, Arts Correspondent

ITV launched its spring offensive against the BBC yesterday with a mixture of new and revived programmes designed to maintain its present ratings lead.

With Channel 4, the commercial network usually has 55 per cent of the viewing audience, compared with 45 per cent for the BBC.

Mr Colin Shaw, chairman of the ITV network controllers, said: "We have established a substantial audience advantage over the past two years, but we cannot afford to be complacent."

ITV controllers are on guard against ratings initiatives by the

Controller of BBC1, Mr Michael Grade, who was once one of their number as programme head of London Weekend.

Mr Shaw said that the spring schedule had a strong emphasis on light entertainment, with six new series and star specials, a varied drama schedule, documentaries ranging from the supernatural to the Middle East, feature films and a short series starring Richard Chamberlain.

ITV's single prestige play will be *A Better Class of Person*, a dramatization by John Osborne, in which Eileen Atkins and Alan Howard play the writer's parents.

Feature films will include *The Long Good Friday*, *Omen II*, *The Final Conflict*, *Brubaker*, *The Border* and *The Choirboys*.

Richard Chamberlain stars in a two-part series, *Lost Hero*, based on the life of the Swedish diplomat, Raoul Wallenberg, who saved hundreds of Hungarian Jews during the Second World War.

The entertainment schedules are led by two new situation comedies. John Thaw heads the cast of *Home to Roan*, by the writers of *Hiding Damp* and *Duty Free*, about a divorced father newly reunited with his teenage son.

Sanctions ruled out as response to massacre

SOUTH AFRICA

The Government viewed the latest events in South Africa with abhorrence and would continue to use all its influence to press the South African government to introduce the fundamental reforms so clearly needed. Mr. Malcolm Rifkind, Minister of State for Foreign and Commonwealth Affairs, said in the Commons.

The deaths were particularly tragic not only because they had occurred on the anniversary of the Sharpeville massacre, but because they were the first of a series of deaths in the face of certain more hopeful developments in recent months, he said.

He was answering a private notice question from Mr. Donald Anderson, an Opposition spokesman on foreign and Commonwealth Affairs, who had asked what response the Government had made and what further steps it proposed following the massacre of blacks in South Africa.

Mr. Anderson said: This massacre on the twenty-fifth anniversary of the Sharpeville massacre shows the reality of repression in South Africa and the clear failure of the policy of constructive engagement pursued by this Government and by our United States partners. Since the Prime Minister welcomed President Botha to Chequers on June 1 last year, we have seen first the imprisonment of United Democratic Front leaders and second, the craven Government response on the Coventry Four affair.

Is the British Government to continue a policy which consists only of good intentions, only of the Minister of State periodically wagging his finger at the South African Ambassador, and which makes us trail behind even right wing congressmen in the United States by ruling out in advance the only policy which could bring effective pressure on South Africa and that is selective disinvestment?

Will the minister now move beyond these brave words and take the lead in urging the Reagan administration to develop a common western policy of selective disinvestment until Namibia is independent and the end of apartheid is high and also join the Dutch initiative in the EEC on the UDF show trials which should start shortly.

Mr. Rifkind: I and others find it difficult to understand why a policy of dialogue is thought appropriate with regard to totalitarian states in eastern Europe and the Soviet Union but almost thought to be inappropriate when it refers to dialogue with the South African Government.

If we are seeking to influence these countries and their leaders to a more constructive and sensible policy, then to refuse to talk to them would seem to be a rather negative way of furthering that objective. As to his call for economic sanctions, not only did the last Labour Government itself believe that such a policy would be inappropriate, but black opinion in South Africa is deeply divided on this issue. Opinion polls and research have established heavy majorities of blacks in South Africa as against such a policy as is the view of leading South African leaders in that country.

Dr. David Owen, leader of the Social Democrats, said there should be no new investment in South Africa unless it greatly benefited the well-being of the black population. Mr. Rifkind said that in *The Sunday Times* Dr. Owen was quoted as saying that sanctions would not succeed.

We have to press the South African Government (he added) to achieve real reforms. But there has been deep scepticism about whether economic sanctions would bring that about.

Mr. John Carlisle (Luton North, C) said that while the sad deaths were to be regretted this was not the time for recriminations or sanctions. Substantial changes had been made in the constitution and Mr. P. W. Botha had a genuine case for reform.

This was not the time for Opposition MPs to parade their consciences but for cooperation to understand the situation in South Africa. The South African Government with sympathetic understanding from the West (Labour protests.)

Mr. Rifkind said there had been some improvement but events such as these deaths called into doubt the possibility of South Africa pursuing the sort of fundamental reforms to prevent this sort of thing happening in the future.

He welcomed the full judicial inquiry which was being held into the deaths. He hoped it would not only discover the full facts but take appropriate action against those found responsible.

Mr. David Winnick (Walsall North, Lab) said these tragic events demonstrated that little had changed since Sharpeville and that the hallmarks of the apartheid regime.

The Government should show how serious it was about apartheid by joining with other western countries in trying to defeat the regime.

Mr. Rifkind said Mr. Winnick had ignored the changes that had taken place such as the legalization of trade unions, 99-year leaseholds and the admission that the homelands were no answer to the political aspirations of urban blacks.

Mr. Anthony Nelson (Chichester, C) said sanctions would be unwelcome, counterproductive and harm the black population most.

Mr. Rifkind said the South African Government appreciated the need to have a dialogue with genuine leaders of the black community.

Mr. Ian Mordaunt (Barnet, Poplar, Lab) called for a rethink by the Government on the "constructive engagement" even if the US Government was too foolish to do so.

Mr. Rifkind said there had been substantial change. If Mr. Mordaunt believed the situation was exactly the same as 20 years ago he was merely showing his ignorance.

Mr. Ian Lloyd (Havant, C) said nothing was easier, especially at the moment, than to throw the whole lexicon of political abuse at South Africa. But this breached the most fundamental principle of the United Nations which was to not interfere in the domestic affairs of South Africa.

Are we not (he added) more likely to have a constructive influence if we offer help rather than criticism? Mr. Rifkind agreed the Government must offer help but the best help for South Africa was to make frank criticism when it was justified. It would not be the best service to ignore the abhorrence of recent days.

Mr. Russell Johnston (Inverness, Nairn and Lochaber, Lab) said the minister has said that he regards these events as totally abhorrent and that there is a need for fundamental reform rather than simply dealing with the details. What does he think the Government should do which will contribute to that either by ourselves or in conjunction with the EEC?

Mr. Rifkind: We have made clear on many occasions to the South African Government that if they wish to be treated as a respectable and acceptable member of the international community, the standards to which they may be committed must be translated into policies towards all their citizens, black and white.

Mr. Robert Hughes (Aberdeen North, Lab) said the current killings are the most recent manifestation of naked abuse of racial power. There are no more than a cynical charade. It is time the Government took action.

Mr. Rifkind: This Government does not defend the South African Government. If it carries out policies which lead to racial hatred, we welcome them and if not, we condemn them.

Heath advocates modest reflation

THE BUDGET

Mr. Norman Tabbitt Secretary of State for Trade and Industry, said he had today given his consent to British Shipbuilders for the sale of Yarrow Shipbuilders Ltd to GEC. Announcing this in the Commons when the debate on the Budget was resumed, he said.

British Shipbuilders would receive £34 million for Yarrow by way of cash consideration, dividend and payment in due course for group tax relief.

This is an excellent return (he went on) to the process of reflation the warship yards to the private sector. It is an encouraging comment on our economic policy that a company such as GEC, which has been much criticised for sitting on a cash mountain rather than investing in industry, has decided to invest in shipbuilding. I hope other sales will follow before long.

Mr. Tabbitt said all MPs shared a common concern at the problem of unemployment. He had no doubt about the commitment of the opposition to policies they currently believed would reduce unemployment. However, he held those policies were mistaken and would worsen Britain's problems.

The clear facts of Britain's present position were misunderstood or misrepresented. The theme of Opposition speeches, particularly in the last week, had been "recovery? What recovery?" Even Mr. Francis Pym was far too modest to say that what was going to happen was to robustly for four years, let alone the achievement built since then on the foundations he helped so successfully to lay. GDP was recovering well even by the time Mr. Pym was speaking.

The picture (he went on) is not of an economy in decline but of an economy expanding, not of an economy where jobs are destroyed or lost overall but of one in which they are being created over and over again.

The truth about the economy was the opposite of what the Labour party was saying and opposite to what Mr. David Steel, leader of the Liberal party, had justly implied in his post-Budget broadcast when he asked: "Is there no alternative to the continuing contraction of British industry?" He had not told a lie but implied one for industry was not contracting but expanding.

There was an alternative. It was expansion and that was what the Prime Minister's policies were already bringing about.

Announcing the results of the review of the department's general industrial support for research and development, he said he intended to increase the provision of aid going on to the private sector, the management of research, improvement in the supply of key skills and collaborative research.

The criteria for assistance under the support for innovation programme, which would be open to new applications from April 1, would accordingly be focused more sharply. The aim was to concentrate support on innovative projects which represented a significant advance for the industry or sector concerned.

Products and processes which represented merely a small step forward, needed priority to keep up with the pace of change in the UK. They were unlikely to be supported. In line with this, the normal minimum project size would be increased to £100,000.

But to help small firms, support would continue to be provided for projects costing under £100,000 and they would also benefit from simplified administrative procedures and less stringent eligibility criteria.

Within these general arrangements, there would be continuing emphasis on certain key technologies and their application such as micro-electronics, fibre optics and ceramics. Some of these technologies would also continue to be supported under the Industrial Development Act. Support for aircraft and aerospace would also continue, but at a reduced level.

Sadly unemployment had continued to rise since the 1984 Budget but the first step towards checking and reversing that increase had clearly been taken. The number of jobs in the economy was increasing and so was the number of people at work.

It had been a good investment for the nation that the miners' strike had been defeated.

Despite the effects of the coal strike, a balance of payments surplus had been maintained for the first year since the long-term balance of payments surplus since the Second World War. The Chancellor had been right in his

judgement and his success would be greater but for the Scargill wreckers and their craven allies on the Labour front. Today, despite the temporarily high interest rates, industry and commerce were optimistic, confidence was high and prospects good. There was no shortage of demand in the economy. It was for British business to satisfy that demand and thereby increase the number of jobs.

Mr. John Smith, chief opposition spokesman on trade and industry, said the decay in the British economy had gone far, particularly in industrial areas. No Government in this century had had a windfall of such proportions as this one had from North Sea oil. But every penny piece of that revenue had gone to pay for the extra unemployment the Government had created - for human misery rather than for jobs in the nation in a better shape industrially.

Unemployment suited the Government's political strategy and in Budget after Budget it had turned away resolutely from any steps to reduce it.

The Government was also using the miners' strike as a scapegoat for the balance of payments and high interest rates.

In arguing that the Government was trying to introduce a low-wage economy, he quoted the case of a 17-year-old carpet cleaner who earned £33.99 for a 45-hour week and was required to work weekends whenever his employer wanted him.

Some of the same same sunshine view as Mr. Tabbitt that everything was going well and there was nothing to worry about. Many people worried that Britain would be the 1980s version of the 1930s technology staffed by an unskilled workforce. Even in the new industries, the Government had cut back support.

Labour wanted to see the creation of wealth which would be redistributed to the poor to the rich. Urgent action was needed on education, training and research and development.

It was not so much an unremarkable budget it was a bold budget. It was bold because it perpetuated a political assumption that the Government was making - that they could get away with high interest rates.

Up and down the country people were seeing clearly what the Government's game was. They were

saying high unemployment was being used to discipline the workforce, and if that was not enough low wages were now being brought in. The verdict of the people would be one based on the Government's wilful neglect and its creation of mass unemployment.

Mr. Edward Heath (Old Bexley and Sidcup, C) said the Chancellor had produced a deflationary Budget at a time when they had massive unemployment which Mr. Lawson had frankly said would go on increasing.

We are (he said) faced with the years rolling by, after six years of Government, with a situation in which unemployment is getting worse and worse. It is with sadness

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Production getting back to normal in Wales

COAL INDUSTRY

Coal exports had already begun to flow through the South Wales ports again and that was encouraging development, said Mr. Nicholas Edwards, Secretary of State for Wales, said during Commons questions.

Production in the Welsh coalfield was already getting back towards normal and he hoped everyone would work to restore important export markets following the ending of the strike, he said in reply to Mr. Stephen Batten (Cardiff West, C) who said the NCB in Wales had lost coal exports to France to the tune of 600,000 tonnes per annum and that was bound to have an effect on the Welsh economy.

Opening the exchanges, Mr. Edwards (Merioneth and Nant Conwy, P) C asked: Does the Secretary of State now agree that the view expressed by the Chancellor of the Exchequer (Mr. Nigel Lawson) at the beginning of the coal dispute, that this was a good investment? How does the absence of a coherent energy policy and substantial investment in the Welsh coal industry amount to an energy policy that is good for Wales?

Mr. Edwards: I cannot agree about the absence of a coherent energy policy. There is massive investment going on in the coal industry and we are determined to see there are alternative sources of energy available to industry so they have competitive fuel sources to enable them to compete with other countries.

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Peer urges more children to opt for science and technology

HOUSE OF LORDS

Early specialization was bad, but there should be a general insistence on literacy and numeracy as an essential part of what could be rightly called human education, the Bishop of Durham, the Rt Rev David Jenkins, said in his maiden speech in the House of Lords.

He was intervening in a debate on the report of the Science and Technology committee on education and training for the new technologies.

His own approach to these things was first formulated when he was working for the World Council of Churches and was based in Geneva. He found himself to some extent in contact with various of the technical agencies of the United Nations and such bodies as the World Health Organisation.

The experience was encouraging. Whereas at the level of official confrontation in the UN one very often felt that the world would be almost certain to blow up tomorrow in fact various persons who knew their subjects well were getting together on common problems and possibilities. Much of the work of sustaining the present and building a human future lay with such groups.

It was clear that to have the sort of collaboration which was required between the arts, social sciences, applied science and so on they must be able to develop in the artist a sense of what was a sympathetic for what was involved in these matters.

There would have to be a considerable shift of priorities in universities and polytechnics. The inevitable would be painful, but he hoped it would not be a war at all. There was no doubt that the proposals in this report, if followed up, would be a great benefit to the nation. It would contribute greatly to the development of the sort of society that was needed for a creative and imaginative future.

Lord Gregson (Lab), who opened the debate, said that whatever the rate of decline of North Sea oil Britain would continue to be forced to rely more and more on imported goods and services to earn its living in the world. It must rely primarily on the quality of its human resources: its skill, enterprise, versatility and technical knowledge and the intellectual capability to apply it.

A feature of the twentieth century was the rapid emergence of new technologies and the pace was accelerating. This appeared to be a fact which would be hard to deny. The ability to be in the forefront of new technology must depend on the pursuit of excellence. Unfortunately, for many years this had not been a popular course to recommend in Britain.

It was to be found to encourage the very best of Britain's schoolchildren to opt for science and technology if this country was to compete in world markets. Special emphasis should be placed on developing and maintaining the interest of girls in these subjects.

Good teaching was crucial at all levels, from primary to higher education. The committee recommended the introduction of differential payments to teachers and lecturers in science and technology. Initial training for all teachers should include an introduction to industry, and all possible steps must be taken to raise the unsatisfactory levels of in-service training.

Lord Rochester (L) said he fully subscribed to the report's central finding that in the United Kingdom technological progress and competitiveness were being impeded by a failure to educate and train enough people of the necessary quality.

Educational provision should be more closely related to employment needs and schools, colleges and universities given more guidance on the skills required by industry.

It was also of vital importance that in educating more people in science and engineering those people should themselves be capable of articulating clearly what it was they had learnt. One of the most relevant aims for this country in the 1990s should be an experience of higher education which led to comprehension and communication between scientists and non-scientists.

Parliament today Commons (2.30): Motion for Easter adjournment. Consolidated Fund (No 3) Bill, all stages. Lords (2.30): Administration of Justice Bill, third reading. Towns and Country Planning Bill, second reading. Bill, report. Films Bill, report. Water (Fluvial) Bill, second reading.

Minister optimistic on budget rebate

EEC TALKS

Substantial progress had been made on agreement of the UK's rebate for 1984 at last week's meeting of the EEC foreign affairs council, Mr. Nicholas Rifkind, Minister of State for Foreign and Commonwealth Affairs, said in the Commons.

He denied a suggestion by Mr. Donald Anderson, an Opposition spokesman on Foreign and Commonwealth Affairs, that the UK was making a substantial contribution to its own rebate.

In his statement, Mr. Rifkind said the Community made major progress in dealing with the outstanding problems in the enlargement negotiations with Spain and Portugal. On fisheries, the Community and Spain were able to agree on the general framework for integrating the Spanish fleet into the common fisheries policy on a basis which safeguards the balance of fishing opportunities for existing member states under the CFP.

Good progress was also made with the Portuguese, despite a number of specific issues remain outstanding on the fisheries chapter with both candidates.

Considerable progress was also made in resolving the differences between the Community and Spain and Portugal on agriculture and social affairs. A special Foreign Affairs Council, with further ministerial meetings with Spain and Portugal, will be held on March 28 to seek to reach an agreement on the outstanding issues before the European Council.

Substantial progress was made on the text of the own resources decision, including provision for our 1,000 million Ecu abatement in respect of 1984 and implementation of the Fontainebleau mechanism for UK rebates in future years.

The text is now agreed subject to a Greek waiver reserve. It is expected that immediately after modification that the new own resources decision has been adopted and ratified by national Parliaments, our 1,000

million Ecu abatement should be paid through an anticipation of the new own resources decision. The subject of the accession treaty purposes would become available from January 1 1986. Meanwhile, the Community's budgetary obligations in 1985 should be met through intergovernmental agreement.

Mr. Anderson said the UK's rebate should have been paid on January 1 and he asked what interest had accrued on those sums.

The problems of finding a common negotiating position within the EEC would be substantially increased on enlargement and the interests of two further countries would have to be accommodated.

When the EEC foreign ministers were haggling over the hasty-fires of Spanish wine, Mr. Rifkind said there was no need to be alarmed about the EEC contribution to the famine in Africa.

At a time of record agricultural surpluses, how could the average EEC citizen be so preoccupied with the famine in Africa?

Mr. Rifkind: He fundamentally misunderstands the situation if he suggests we will be paying towards common rebates. The 1,000 million Ecu of rebate to the UK is in respect of our contribution in 1984 and does not arise out of expenditure in the current year.

We will be paying 7 per cent of additional expenditure in future years, compared with France and Germany who will be paying 27 per cent to 32 per cent. So Fontainebleau remains an excellent deal for the UK, and one far better than many dared predict.

It was not a matter of intergovernmental agreement between 10 or 12 countries but agreements had always been reached at the end of the day and that had contributed to the strengthening of the Community.

It was not inappropriate for the Foreign Affairs Council to discuss South Africa or other matters.

£232,000 grant for National Eisteddfod

This year's National Eisteddfod in Rhyl would receive a grant of £232,000 from the Welsh Office, Mr. Wyn Roberts, Under Secretary of State for Wales, announced in the Commons.

He said that this grant for 1985-86 was £12,000 more than the combined total of the Welsh Office and the Welsh Arts Council grant for the current year.

He was replying to Sir Anthony Myles (Clwyd North West, C) who said his constituents were raising money to help fund this summer's eisteddfod in Rhyl.

Immigrant policies condemned

By Pat Healy

Claims by the Home Office about its immigration policies would fail to satisfy the Advertising Standards Authority criteria of being "legal, decent, honest and truthful", MPs were told yesterday.

The underlying ethos of immigration control led to "crudely racially discriminatory" practices, and decisions by immigration officers that would contravene the Race Relations Act if carried out by landlords or employers, according to the Joint Council for the Welfare of Immigrants.

In evidence to the select committee on race relations and immigration, the council accused the Home Office of creating new immigration rules by secret instructions and by developing practices not cleared by Parliament. Leaflets and advertising about immigration created confusion and were often legally incorrect, the council said.

"The real picture of the administration of control is of a bureaucracy which to most applicants is obscure, hostile and remote."

Royal Navy's uncertain future: 2

Drop in war efficiency feared

The Royal Navy finds its force of destroyers and frigates, and their crews, being stretched to the limit by commitments in the Falklands and elsewhere. In the second of two articles, RODNEY COWTON, Defence Correspondent, considers these pressures.

While the Royal Navy confronts an uncertain future over the size and effectiveness of its force of destroyers and frigates, it is having to struggle to meet its present commitments.

Last year when it began to consider its work-load for 1985 its initial assessment is thought to have suggested that it needed about ten escorts more than it actually possessed to fulfil all its tasks. Eventually some fairly heavy massaging of the work-load brought demands and resources into some sort of balance.

But that has been achieved at a price. For example, the number of frigates in the UK area held at readiness to meet unexpected contingencies has been reduced from two to one. Time devoted to evaluating equipment, to local exercise, and routine maintenance will all have been trimmed to levels below those which the Navy would consider desirable. The British contribution of destroyers and frigates to Nato exercises over the last 10 years has declined by nearly a third.

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Apology by Press Council

The Press Council issues a statement today apologizing to The Guardian and Professor Alan Smithers of Manchester University over a reference made to them in an adjudication last November.

In upholding a complaint against a News of the World article titled "Your ideal job shines in the Stars", the council said that Professor Smithers's research study into the connection between people's birthdates and occupations, which had been published in The Guardian, should not be taken seriously. Yesterday the council apologized

Crime survey shows 19% rise in home burglaries

By Peter Evans, Home Affairs Correspondent

Home burglaries increased by 19 per cent in England and Wales between 1981 and 1983, according to preliminary results of the official British Crime Survey.

Vandalism went up by 7 per cent and thefts from the person and robbery rose by 8 per cent. The figures include attempted crimes.

This is the first time that crime increases in England and Wales have been broken down in this way. The survey's estimates give a different and, some experts would argue, more realistic picture of crime than the official annual statistics of incidents reported.

The size of the burglary increase, is confirmed in the final report expected soon, is significant. Twice as many burglaries were disclosed in the first survey, which gave the 1981 figures, as were recorded by the police.

For those categories of crime for which comparison was possible, the 1983 survey indicated a considerably greater number of incidents than did the annual crime statistics. Only for one category, thefts of motor vehicles, were the figures similar.

The new approach sought to identify victims when one person aged 16 or over was interviewed in each of about 11,000 households in England and Wales. In Scotland about 5,000 were sampled.

The annual crime statistics

are only of offences that the police know about. The amount can vary according to local circumstances. Yet it has been on these figures that much of the outcry about crime increases, which influences law and order policies, has been based.

How misleading the present crime figures can be is indicated in the latest Home Office statistical bulletin on them. It is said that the results of the General Household Survey and the last British Crime Survey findings suggest that much of the recorded increase in burglaries in dwellings in the 10 years up to 1982 was attributable to an increase in the proportion of recorded offences.

While that may be so, the size of the present increase indicated in the crime survey suggests that there is cause for concern.

The percentage change is based on numbers of victims and estimates of the offences per 10,000 households in the case of vandalism and burglary and, for thefts from the person and robbery, per 10,000 people aged 16 and over.

Home Office statistics of recorded offences – the orthodox measurement of crime – show that the amount of robbery and theft from the person, taken together, changed insignificantly between 1981 and 1983.

Criminal damage, including that valued at £20 and under, rose by 14.7 per cent. Burglary in a dwelling went up by 23.5 per cent.

Idol who strikes terror into whites

Extremism has a growing appeal to blacks still trapped in poverty two decades after the civil rights movement broke the American racist mould. In the second of two articles, Christopher Thomas discusses the importance of Mr Louis Farrakhan.

The man is feared, admired and hated. He wants black America to secede, to create an independent state. He says Israel is built on thievery, lying and deceit. He says God sent President Reagan to free blacks of government subsidy so they would find self-respect. He thinks Hitler was a very great man, though wicked.

A year ago Louis Farrakhan was irrelevant. Today he is the predominant extremist black leader.

BLACK AMERICA Part 2

Blacks who booed Senator Edward Kennedy during a recent tour of South Africa told correspondents that the only American leader they wanted to hear was Louis Farrakhan. He pulled in a crowd of 6,000 in Detroit, 7,000 in Atlanta, 5,000 in Houston, 7,000 in Philadelphia.

He is a phenomenon created largely by black frustration over their poor showing in last November's elections, despite a record turnout. The fear of moderate black leaders is that he will last.

Mr Farrakhan sprang to prominence by shrewdly exploiting his political association with the Rev Jesse Jackson, a far more moderate

man. Since the elections – Mr Farrakhan has been touring the country with his wild rhetoric and sinister, swivel-eyed bodyguards, and the crowds love it. He is at his most effective in poor districts.

He told 6,000 people crammed in to an old armory in a poor area of Chicago: "What is it that I am saying that engenders fear into the heart of our oppressors? Just to mention my name, it strikes terror in the hearts of some white people."

They cheered rapturously. "It is an act of mercy to white people that we end your world," he said. "Your world is killing you and all of humanity. We must end your world and bring in a new world." He criticized black parents for bringing up their children to "salute the conqueror's flag."

Mr Farrakhan is becoming important not for what he says – most of which is wild fantasy – but for the atmosphere of racial hostility he is able to create. He leads a Muslim group called the Nation of Islam, which has a membership of perhaps 10,000 to 20,000, a tiny sect advocating separatism for blacks. His following, however, is much larger and evidently growing.

The continuing economic hardship of blacks, coupled with the cutting of social benefits by President Reagan, has helped to provide Mr Farrakhan's brand of extremism with a base. He is trading heavily on the sense of let-down among blacks after their poor election showing.

Mainstream, respectable black organizations and pressure groups hate what he stands



Louis Farrakhan: Moderates fear he will last

for. The Muslims are widely respected. Mr Farrakhan's sect is not. Mr John Jacob, president of the National Urban League, the biggest of the black organizations, described his remarks about Jews as repugnant, and implicitly accused him of racialism.

Despite all the progress in race relations, it is evident from hosts of reports that a powerful

climate of racialism continues to exist in much of America, though it is more subdued, more suppressed, more subtle.

One of the most endemic tragedies of the black community is the instability of the family. The latest figures show that 42 per cent of black families are headed by a woman, compared with 12 per cent of white families. The

poverty gap persists. With four more years of Reaganism in store, blacks seem restless. They appear unimpressed by recent conciliatory remarks by the President.

Is the time right for a black political party? Blacks have consistently formed the most cohesive group within the Democratic Party, but even Mr Jackson's powerful performance last year failed to draw many concessions from the party establishment. President Reagan more or less ignored blacks during his campaign. And Walter Mondale avoided courting black voters too publicly for fear of alienating white southerners.

Mr Jackson is now threatening that blacks will have to "reassess their loyalty" to the Democratic Party. He has in mind the election of candidates (blacks or progressive whites) outside the party structure. "If you can win without the party, it puts you in position to rework your position within the party," he said.

It is doubtful if it will ever happen. The careers of all the important black politicians are directly linked to the Democratic Party. Mr Jackson's idea of drawing other minority groups into a "rainbow coalition" has failed. Nobody wants to belong to a party of losers.

The only option, if it is not to be along the road that Mr Farrakhan would advocate, would seem to be for blacks to continue their long, slow march, hoping that at fateful points their interests might coincide with the interests of the majority of Americans.

Concluded

Bank siege man shames Japanese police

From David Watts Tokyo

A senior police officer, biting hard on his lower lip and pausing to repress tears, last night spoke of the shame of his force that a former policeman had taken part in the taking of hostages at a Yokohama bank.

The former officer died in hospital last night after shooting himself in the head at the end of the siege.

An accomplice said the ex-policeman was the mastermind of an attempt to steal 46 million yen (£1.6 million) from the bank on Sunday by taking four hostages when three bank employees and a security guard brought in the proceeds of horse race betting.

Police throughout Japan share the shame of the Kanagawa force with whom the man served until last autumn. This is the fourth case of robbery or murder involving former police officers in the last six months. The national police agency has ordered a review of police training methods.

The hostages were taken, according to the police, when the former officer arrived at the bank with his accomplice, dressed in the uniform that he wore as a serving sergeant. Police officers are supposed to destroy their uniforms and return badges and truncheons when they leave the force, but there is no requirement for the uniform itself to be handed in.

Since he left the force the man appears to have got into serious debt and had successive problems with the businesses he tried to start.

Women prisoners denied classes

By Colin Hughes

Women at Holloway prison in London are being prevented from taking education courses because of a shortage of prison officers means they cannot be escorted to lessons and supervised at study, according to an inspectors' report.

The National Association for the Care and Resettlement of Offenders (NACRO) said yesterday that take-up of courses at Holloway is perhaps worse now than it was a year ago when inspectors spent a week assessing provision.

The inspectors found that the prison's education unit had capacity for 676 attendances a

week, but only 202 were taken up. The 28 per cent attendance level was because the prison is "at least 30 prison officers below authorized staffing levels". Part-time prison teachers often arrived at lessons to find no students.

Ms Vivien Stern, the director of NACRO, said yesterday: "Today the position is not better, and it is arguably worse." In the most recent week of published figures, February 11 to 15, there were only 115 attendances at the unit, she said, "yet education can play a vital part in helping prisoners to move away from crime".

New aims for school visits

British and French teachers are collaborating to make the traditional cross-Channel school visit a better way of learning a new language (Our Education Correspondent writes).

A new teaching package, *Our Europe*, which shows how British and French schoolchildren can learn about one another's environment, is to be launched in London today by Mr Robert Dunn, Under Secretary of State at the Department of Education and Science, in charge of schools.

The package, developed by the Keep Britain Tidy Group over the past five years, involves secondary school pupils working together on environmental projects such as man's influence on rivers or the effects of predestructionism on atmospheric pollution.

Children entering a foreign school will have to join in, instead of sitting at the back of the class or having lessons on their own.

The new teaching materials, which are being launched at the French Chamber of Commerce, were devised by team at Brighton Polytechnic, led by Mrs Cherry Mares, with help from the French Government.

£280,000 for brain damage boy

Majed Al Luhaiba, aged nine of Medina, Saudi Arabia was awarded £280,000 damages in the High Court yesterday after an operation at the Harley Street Clinic in February 1980, left him with "severe and permanent brain damage".

Negligence was alleged because the operation was done although he had a temperature.

Mr Henry Golding, a plastic surgeon, and Mr Peter Hardwick, an anaesthetist, both of Harley Street, denied negligence, but their insurers agreed to pay damages in settlement of the claim.

Bumpy landing

A sponsored parachute jump near Andover, Hampshire, yesterday, to raise money for a hospital appeal ended with two of the jumpers in hospital with broken legs. Debbie Ponsford, aged 19 and Julie Prescott, aged 20, both of Bracknell, Berkshire, were caught by a gust of wind and landed heavily.

Gunman inquest

An inquest on James Baigrie, the gunman who shot himself during a police siege in London last Friday, will be held next Tuesday before a jury.

Fresh calls for end to EEC steel subsidies

By Edward Townsend, Industrial Correspondent

Renewed pressure from Britain, West Germany and The Netherlands for an end to steel industry subsidies throughout the European Community by the end of this year will come at today's meeting of EEC industry ministers.

Mr Norman Lamont, the UK Minister of State for Industry, will insist that the end of the year deadline, part of the six-year crisis regime the EEC has been operating across the industry, be adhered to, despite the continuing problems facing the French and Italian industries.

But, with the French intending to continue to support their steel-makers with state cash until 1987, agreement seems unlikely and the result is likely to be a call from the British and Germans for bigger production quotas to compensate for their lack of government support.

The British Steel Corporation, which is expecting its additional £200 million costs

incurred during the miners' strike to be written off by the Government, is confident of moving into profit very soon and has pressed ministers to negotiate a relaxation of the quotas system to allow it to take advantage of a healthier home market for steel.

The BSC has so far not followed West Germany in demanding a range of measures to assist it further should the French and Italians continue to receive state support.

The BSC believes that by insisting that it can meet the deadline and be free of state aid it will be in a better bargaining position on quotas. In the past 15 years, the British steel industry has received about £12,000 million of government aid.

The EEC Commission is confident that the target of a reduction in capacity of 30-million-35-million tonnes a year by the end of 1985 will be met, but it is also raising minimum prices by 2.5 per cent on April 1.

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Lufthansa

Gorbachov sweeps out ageing incompetents as start of party purge

From Richard Owen
Moscow

Pravda yesterday reported further personnel changes at grassroots level in three regions, indicating that only two weeks after taking charge Mr Mikhail Gorbachov is already masterminding a thorough nationwide purge of the Communist Party structure. Some ministerial changes may be announced today at a session of the Supreme Soviet of the Russian Republic in Moscow.

Mr Gorbachov made his first move last weekend, replacing the 70-year-old first secretary of the Kirov region with his own appointee from the Central Committee apparatus in Moscow. He also dismissed the 74-year-old Minister for Power and Electrification and moved in a 55-year-old replacement.

These and other personnel changes are part of Mr Gorbachov's campaign to sweep out incompetent, corrupt and ageing officials and replace them with younger better educated and more technocratic minded men. Observers have been struck by the speed and determination with which Mr Gorbachov has moved since taking office after the death of President Chernenko.

The party newspaper yesterday reported meetings on personnel matters at provincial level party committees in Irkutsk, Ufa and Volgograd. In each case local officials were upbraided in tough language for corruption or inefficiency, and a list of dismissals, party expul-



Mr Gorbachov: Moving technocrats into place

sions and trials was announced. The party secretary at Bafsk, an important Siberian industrial city, was removed for "gross misuse of his power", and five industrial officials were dismissed in Ufa. The Volgograd report said over a third of farm managers in the region had been replaced.

All reports emphasized Mr Gorbachov's demand in his acceptance speech two weeks ago for discipline and energy. Pravda said that in the past dismissed and disgraced officials had been found comfortable jobs elsewhere, but this practice would stop.

Senior Soviet officials have warned against expectations of Chinese or Hungarian-style liberal economic reforms under Mr Gorbachov, noting that

neither private enterprise nor political pluralism are on the Soviet Agenda.

But Western observers say Mr Gorbachov appears to be moving technocrats in tune with his reformist ideas into place throughout the party and industrial structure, and that warnings against "liberalism" could be designed to disarm conservative-minded opponents in the party hierarchy.

Mr Gorbachov's grassroots personnel changes are expected to continue for the next few weeks, and will be crowned by Politburo changes at a Central Committee plenum.

In a remarkable outspoken article at the weekend a leading liberal economist said too many Soviet factory managers and officials were old men with no computer training and no understanding of modern society. Professor Abel Aganbegyan called for Western-style business schools in Russia to train a new generation of technocratic managers. "Times have changed", he wrote in *Izvestiya*. "We are living in the century of technological change."

Pravda yesterday lambasted the Soviet coalmining industry in a front-page editorial, saying that mining equipment was shoddy and badly maintained, management was incompetent and both managers and pithead workers lacked expertise. Ten million tonnes of fuel had been lost last year, and Soviet miners were having to work on their days off to catch up.

French socialists split on electoral reform

From Diana Geddes, Paris

Embarrassing divisions have appeared within the French Socialist Party over the question of electoral reform, only a few days before President Mitterrand is due to make known his decision on what form of proportional representation he intends to introduce for next year's parliamentary elections.

At a meeting of the Socialist Party's executive committee at the weekend, M Lionel Jospin, First Secretary of the party and chief proponent of the Mitterrand faction, came out firmly in support of reform of the present two-ballot majority system of voting so as to include a substantial (though still unquantified) dose of proportional representation.

The present system of voting, which has led to a polarization of the political forces into two distinct camps, was now "ill-adapted to the realities of French political life," M Jospin said, for it obliged parties which were given highly critical of one another to step down in the second round of voting in favour of a candidate within the same broadly-based camp. Such a system no longer worked.

However, other leading Socialists, such as M Michel Rocard, Minister of Agriculture and leader of the right-wing faction within the party, took an equally firm stand against proportional representation, describing it as a "defeatist choice", and arguing that it would prevent the Socialist Party from ever again obtaining an absolute majority in Parliament.

On the other side of the party, M Jean-Pierre Chevènement, Minister of Education and leader of the left-wing Ceres faction, also came out against more than a very small dose of proportional representation as a "corrective" to the existing system, as did M Jean Poperen, the number two in the party and a Mitterrandist.

Another Mitterrandist, however, M Claude Estier, went to the opposite extreme, arguing for the abandonment of majority voting in favour of full proportional representation. M Estier is a Deputy for Paris where there has been a marked shift to the right over the past four years, and where many prominent Socialist Deputies could find themselves in severe difficulties if the present system of voting were retained.

M Laurent Fabius, the Prime Minister, announced last week that the Government would make up its mind about what system of voting it planned to introduce by the first week in April. It is widely expected that an announcement will be made after the normal weekly Cabinet meeting on April 3.

Bonn endorses Howe's 'Star Wars' misgivings

Bonn (Reuters) - West Germany yesterday backed British doubts about President Reagan's "Star Wars" plan for space defence, saying Sir Geoffrey Howe, the Foreign Secretary, had raised legitimate questions about its strategic wisdom.

Herr Alois Mertens, Minister of State at the Foreign Ministry, said on his return from talks in Washington that the substance of Sir Geoffrey's remarks coincided with West German views on the proposed anti-missile system.

Earlier this month, Sir Geoffrey reiterated British support for research into the US Strategic Defence Initiative but

questioned whether it could be carried through "without generating dangerous uncertainty".

Herr Mertens told a news conference that Sir Geoffrey's speech had caused no surprise in Washington, although some officials he spoke to had criticized its tone and intensity.

He told US officials that it was legitimate for Sir Geoffrey to ask what the SDI programme meant for Western defence strategy. "Until now we have no better strategy than (Soviet) deterrence based on flexible response", he said.

Herr Mertens held two days of talks in Washington last week on Western disarmament policy and Central America.

Reagan in final plea to Democrats over MX

From Nicholas Ashford
Washington

President Reagan with his chief arms negotiator, Mr Max Kampelman, yesterday made a final bid to persuade wavering Democratic members of the House of Representatives to approve funding for the controversial MX intercontinental ballistic missile, the central element in his multi-billion dollar military modernization programme.

The House will hold the first vote on the missile today and the second on Thursday.

A defeat would not only represent a massive personal rebuff for Mr Reagan, who has spent much of the past two weeks lobbying for the missile, but would also, in the Administration's view, undermine the country's bargaining position at the Geneva arms talks with the Soviet Union.

Last week the Administration appeared fairly confident of an affirmative vote in the House after the Senate approved by a larger-than-expected majority of 55-45 the President's request for \$1.5 billion to build 21 more of the missiles, which have 10 warheads.

But on Friday the President called Mr Kampelman back from Geneva, where he is heading the US team after the de facto leadership in the House began lobbying heavily against the missile.

Mr Kampelman is himself a Democrat, albeit a very conservative one, and has argued strongly that the US must press ahead with the MX missile and other aspects of the President's defence build-up to bring maximum pressure on the Soviet Union to make concessions at Geneva.

Yesterday, Mr Kampelman met Mr "Tip" O'Neill, the Democratic Speaker of the House, and later was present at a White House meeting between the President and House Democrats.

Mr Kampelman is due back in Geneva today for the next round of talks on medium-range, strategic and space weapons.

The President's attention was particularly focused on 25 Congressmen who are still uncommitted.

Leaders of the pro- and anti-MX factions admitted that the House vote would be very close, but Mr O'Neill seemed to indicate that it would probably tilt in favour of the missile when he said: "The President is the most powerful man in the world... and he is pulling out all the stops."

Meanwhile, 23 House Democrats have sent a private letter to Mr Mikhail Gorbachov, the Soviet leader, saying Moscow must comply with existing arms treaties or risk "serious consequences for the future of arms control".

The main purpose of the letter was to tell the Soviet leadership it could not expect to conclude a new agreement in Geneva if it failed to honour existing accords.

The letter referred to the construction of a massive radar facility at Krasnoyarsk in Siberia which the US claims, violated the 1972 Anti-Ballistic Missile Treaty.

Among those who signed the letter were Mr Les Aspin and Mr Dante Fascell, chairman of the House's armed services and foreign affairs committees.



Hospital hit: Patients being evacuated from a hospital in Aalborg where the strike has cut off heating.

Denmark paralysed by strike

From Christopher Follett, Copenhagen

Denmark's centre-right coalition held urgent political talks last night to seek Parliamentary support for legal powers to end the three-day strike by 300,000 private sector workers over pay and hours, which is paralysing the country.

Political observers predicted that the Government might intervene this week.

The full impact of the combined strike and employers' lockout is beginning to be gradually felt throughout Denmark, with flights and ferry services dislocated and air

mail suspended.

In Aalborg, in north Jutland, Denmark's third biggest conurbation, up to 100,000 people are without heating and 30 schools have had to be closed.

The strike is also hitting newspapers, power supplies, transport and distribution, food

manufacture and much of industry and agriculture. It threatens to spread into the public sector next week, hitting hospitals, government and essential services.

Petrol, milk, meat, bread, fruit, beer and fuel are in short supply because hoarding.

Lebanon kidnappers hold French teacher

From Our Own
Correspondent, Beirut

Another Frenchman has been kidnapped in Lebanon, the eighth Westerner to be abducted in the country in less than two weeks and the fourth French citizen in as many days.

At least 12 Americans, French and Britons - and a Dutch priest - are missing in Lebanon as suspicion grows that they are being held by a Shia Muslim group demanding the release of 17 Shia Muslim prisoners jailed in Kuwait for the bombing of the American and French embassies there.

The latest victim was Gilles Sidney Peyrolles, the head of the French Cultural Centre in the northern Lebanese city of Tripoli. According to one of his fellow teachers, M Peyrolles was last seen on Saturday, only 24 hours after three French embassy employees were kidnapped in Beirut.

A French Foreign Ministry official arrived in Beirut yesterday to try to make contact with the kidnappers.

Strenuous efforts by the British Embassy to find two missing Britons and by the Associated Press in Beirut to secure the release of its bureau chief, Mr Terry Anderson, have all so far failed.

The kidnappers, who include one woman, are thought to be in remote locations north of Baalbek in the Bekaa Valley.

Israel's legacy no bonanza for collaborators in Tyre

From Robert Fisk, Tyre

Every night is a bad night for the Arab family. They have been named as collaborators. One of them has already been the victim of an attempted assassination.

The family's seedy hotel has already been bombed, and the menfolk now guard what is left of the reception desk, a few dirty rooms, an empty dust-covered kitchen and a lounge with six grimy curtains where a large, ornate colour television brings them each night a series of ancient western films, courtesy of the late Saad Haddad's pro-Israeli television station.

Tonight it is *Bonanza* they are watching. There are no Arabic subtitles, so the middle-aged men in jeans and green windcheaters stare uncomprehendingly at Ben Cartwright's attempt to defend the Ponderosa ranch. But they have other things on their minds. Beneath their jackets another, more recognisable whisper can be heard, the soft transmissions of two-way radios. And every three minutes, one of the Arab brothers stands up, walks to the windows and pulls cautiously on the curtains to peer outside.

What he sees outside is unclear. There are no car bombs in the dingy car park tonight, no gunmen hiding behind the garbage tip in the building site over the road. Not tonight.

There is just the dust and sand that the wind has blown over Tyre, cloaking the buildings and roads and the fears of

those who trusted the Israelis and those who hate them. There is a kind of cloud over Tyre, partly real, partly substantial, as if the city has still not got used to occupation after two and a half years.

Even the army of occupation is cast now into a strange new light. The Israelis - long portrayed as strong, efficient, humanitarian - move through Tyre in a dark fog of dust and sand and fumes, goggled soldiers staring through patches of opaque sunlight at a hostile and captive population, machine-gun barrels glinting in four directions as their armoured carriers thrash the broken tarmac of the streets.

On a street corner, an Israeli in a truck is shouting and cursing at a fruit seller who has not moved his cart off the road quickly enough. It is a small incident. The soldiers are covered in a benevolent white dust as if they have driven through a snowstorm. But two men by a butcher's shop are moving their lips almost soundlessly, mouthing obscenities at the Israelis.

Just outside the city, the oranges hang in dark trees in a golden glow, but the Israeli foot soldiers beside the road show up starkly in their lighter olive-green battle dress. Some of them carry rifles, but others hold heavy sticks, clubs with broad wooden heads on them. One who stopped my car the other day was holding an axe.

To the south of Tyre, the Israelis move through a banana plantation, stooping between the trees where the bananas are hanging inside blue plastic bags. Then the soldiers begin firing without warning, frightened by the guerrillas who may or may not be around them.

A woman in a nearby vehicle screams with fear. You can hear the bullets slicing into the trees and zinging over the main road in front of the car. You get used to this. At night the gunfire goes on for hours, long, stuttering bursts of it, and arcs of tracer, as if the First World War is being recreated in living colour.

Not that there are many to record it all. It is not difficult to avoid the Israeli Army's extraordinary prohibition on free reporting in southern Lebanon. But it is difficult not to recall how the American television networks sent their crews down to Sidon last month to film the bloodbath that Israel predicted would follow its withdrawal and which never happened. The "bang bang" footage simply wasn't there.

There is plenty of "bang bang" in Tyre right now. But, strangely, the American networks do not come here from Beirut, only on escorted Israeli Army press tours. Perhaps it is the wrong sort of war, the kind where the apparent winners turn out to be the losers, where more than the fog obscures the cameras. Even without subtitles, *Bonanza* is probably easier to understand.

Iran blamed for Baghdad blast

Baghdad (Reuters) - At least eight people were killed when an explosion destroyed part of a new apartment building in central Baghdad yesterday witnesses said.

Iraq said its planes raided selected targets in five Iranian cities, including Tehran, in retaliation for attacks on Baghdad and other Iraqi towns. A military spokesman said the Iraqi attacks took place at 4.15am, half an hour after the explosion in Baghdad.

The military spokesman said the other Iranian cities attacked were Hamadan, Isfahan, Kashan and Tabriz and all the planes returned. He said Iraq would strike deep into Iran until Iranian leaders responded to "comprehensive" peace appeals.

Iran said earlier it fired a ground-launched missile at Baghdad after fresh Iraqi attacks on Sunday on ships using the Iranian oil terminal at Kharg Island.

The Baghdad explosion destroyed part of an inhabited three-storey building and slightly damaged others. Reuters correspondents at the scene said the cause was not clear.

Iraq blamed two similar blasts this month on Iranian

agents, but said nothing about another two. No casualty figures have been issued for any of the explosions.

An Iraqi military spokesman said yesterday Iraq would retaliate against Iran for using weapons supplied "by Zionist servants and Arabs of the tongue," terms Baghdad uses for Syria and Libya.

Diplomats in Baghdad differed in their interpretations of the statement. Some said it was an admission that the blast might have been caused by Iranian missiles supplied by Syria or Libya, while others said it was too vague.

Iran had not previously been thought to have surface missiles capable of reaching Baghdad, but diplomats have speculated that it may have obtained Soviet-made Scud-B missiles from Libya.

● Tehran: Iran said its forces shot down three Iraqi aircraft as

they tried to bomb Kharg Island yesterday.

The national news agency IRNA quoted military sources as saying the three aircraft, shot down by Iranian fighters and anti-aircraft fire, were among several trying to bomb the island. No further details were immediately available but the IRNA report appeared to indicate there had been an air raid and aerial dogfight.

Gulf shipping sources said Iraqi aircraft bombed the Kharg terminal last Tuesday, killing 11 people and destroying at least one oil storage tank. Iran did not confirm the attack.

Western oil sources in Tehran said Iran appeared to be maintaining its average oil exports since the beginning of the year of around 1.1 million barrels per day.

Kharg island is vital to Iran's oil exports and Iraq has been trying to blockade it by firing missiles at foreign tankers picking up oil there.

Massacre at children's zoo

Adelaide (AP) - Sixty four animals, including kangaroos, sheep, a llama and a crocodile, were savagely beaten and hacked to death by a gang that broke into the children's section

of Adelaide zoo.

The sheep were disembowelled, and the majority of the animals had their throats cut or were stabbed near the heart, a police sergeant said.

Ethiopian war spreads south of Tigré

From Paul Valley
Khartoum

Fighting between rebels and Government forces in Ethiopia has spread south from the province of Tigré where the military regime launched an offensive against the guerrillas this month.

Last week, there were three fierce clashes in the province of Wollo, as guerrillas from the Tigré People's Liberation Front attacked the garrison towns of Robit and Goby, south of the Save the Children Fund camp at Kobbo on the main road north out of the Ethiopian capital.

Helicopter gunships and more than 20 tanks were involved in the exchanges in which 300 soldiers of the Dergue were killed or wounded,

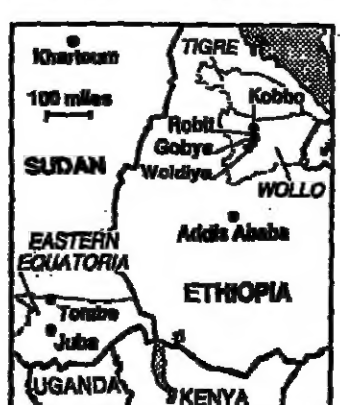
three tanks and an armoured lorry were destroyed and 15 prisoners, including two tank crews, were taken, according to the TPLF in Khartoum.

The rebel counter-measure, designed to alleviate the attack on their forces in the north, drew Government reinforcements from Kobbo and Woldiya which were then ambushed.

Meanwhile, rebel forces in the south of Sudan are tightening their grip on the provincial capital of Juba.

The radio station of the Sudanese People's Liberation Army has announced that it has taken control of the town of Tombe, only 60 miles from the provincial capital.

Reports have now reached Khartoum that last week a



Buffalo military transport plane carrying Government reinforcements to Juba was shot down over eastern Equatoria killing six officers and more than 40 men.

Delhi fury at US role in envoy defection

From Kuldip Nayyar
Delhi

India has expressed serious concern to Washington about the defection of a Soviet diplomat accredited in Delhi. Mr Igor Gheja, to the United States and has asked for fuller details.

The Indian Minister of State for External Affairs, Mr Khurshed Alam Khan, told Parliament that the missing Soviet diplomat has surfaced in the US having obtained asylum there. He said the Indian Ambassador in Washington has been instructed to ask the US Government for full details.

The granting of asylum to Mr Gheja by Washington has strained Indo-US relations at a time when the two countries are preparing a visit to the US by the Indian Prime Minister, Mr Rajiv Gandhi for mid-June.

The Indian Government is intrigued about the US role in the Soviet diplomat's defection. The minister also told Parliament that investigations had revealed no link between Mr Gheja's defection and the murder of a Soviet engineer in India four days after the envoy's disappearance.

Toronto jail term for anti-semitic publisher

From John Best
Ottawa

An immigrant from West Germany was sentenced yesterday in Toronto to 15 months in jail for publishing anti-semitic propaganda.

The defendant, Ernst Zundel, aged 46, was also placed on three years' probation and prohibited during that time from publishing anything connected with the Holocaust. He further faces possible deportation.

Zundel was found guilty by a district court on February 26 of knowingly publishing false information to cause racial or religious intolerance.

The charge, related to a booklet published by Zundel entitled *Did Six Million Really Die?*, which dismissed the slaughter of Jews in the Second World War as a hoax and a Zionist conspiracy designed to exact reparations from Germany. He was acquitted on a second similar count.

The widely-publicized trial lasted seven weeks and roused strong passions on the part both of Canadian Jews and other Canadians who contended that the principle of free speech was under attack.

Zundel wore a bullet-proof vest throughout the trial, and he and his supporters were hard-bats to and from the courthouse. He has said that he will appeal the conviction.

Second ferry sinks with 50

Dhaka (Reuters) - Another ferry boat sank near Dhaka, bringing the total number of people missing in two sinkings to about 300, Bangladesh police said.

Rescuers were still searching for 250 people from a ferry which capsized on Saturday in the Burega river when a second vessel sank in a monsoon storm. All 50 passengers from the second boat were missing.

The latest sinking occurred on the Meghna river near Bhairab Bazar, about 30 miles from Dhaka.

Seoul waits for Peking apology

Tokyo - South Korea appears ready to return a Chinese torpedo boat and its 12 surviving crewmen to China as soon as Peking offers an apology for the intrusion into Korean waters of three of its naval vessels (David Watts writes). The South Korean Foreign Ministry lodged a protest over the intrusion at the weekend. The Chinese ships were searching for the torpedo boat after a shooting incident on board which killed six of the crew in what appeared to be a mutiny.

Aid blocked

Rome (Reuters) - A ship carrying 7,000 tonnes of wheat as emergency aid for famine-stricken Niger and Chad has been delayed for nearly three weeks at the Nigerian port of Apapa. The United Nations World Food Programme said. Due to a "misunderstanding" it was not being allowed to unload, an official said.

Summit hitch

Nicosia (AP) - The opening of an Afro-Asian Peoples Solidarity conference in Libya appeared in doubt after Libya refused entry to a delegation representing Mr Yasser Arafat's faction in the Palestinian Liberation organization, conference sources reported. After day-long consultations, most of the delegates were still in Cyprus.

Turtle peril

Galapagos Islands (AP) - The 25-day-old brush fire raging on the main Galapagos Island is nearing the area where the island's 8,000 giant land turtles lay their eggs, scientists said. They are pessimistic about being able to evacuate them.

Mosque ban

Belgrade (AP) - The municipal authorities in Zagreb have refused to issue a permit for a new mosque, the third-largest in Europe, on the ground that it is an Islamic centre and not a house of worship, local newspapers reported.

Five kidnapped

Colombo - Five Sinhalese Army civilian labourers were kidnapped by Tamil separatist rebels who stopped their lorry at Murugan, 190 miles north of Colombo. Tamil labourers on the lorry were told to walk away.

9 skiers die

Venau (AFP) - Weekend avalanches killed five skiers in the Tyrolean Alps of Austria and four others to the south in the Italian Tyrol. Most of the victims were skiing outside marked trails.

Brakes off

Bucharest (AP) - The ban on private car driving in force in Romania since January 10 to save costly fuel is lifted from today. Drivers have been warned to expect slower refuelling.

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TAXING THE MOTORIST COULD CRIPPLE THE COUNTRY AS WELL

THE FALL GUYS

In 1984, the average private car owner paid over £462 in taxes made up of £280 fuel duty, £90 licence duty, and £92 VAT on fuel. On top of that, new car purchasers paid an average of £400 in special Car Tax and £780 in VAT.

Last week, the Chancellor raised the ante even higher - petrol tax up beyond the £2 barrier, tax discs up to £100.

It's a fact that motorists are perennial targets for discriminatory taxation. And it is this which is the major factor in Britain's low level of car ownership compared with other European countries - a situation which has alarming implications for the whole economy.

A CRUTCH FOR THE ECONOMY

Last year, total road user taxation yielded

more than 1/10 of all tax revenue - making it the third largest contributor in Britain:

Over £10,000 million was contributed by road users. This year's budget will add at least £500 million more - £150 million more than inflation.

The motor industry contributes some £12,000 million to Britain's GDP, which makes it the largest producer of wealth among our manufacturing industries.

It's one of the country's largest employers, too. Over 1,600,000 jobs stem directly or indirectly from it. And yet its recovery is threatened by the very community it supports.

NO GUARANTEE OF RECOVERY

If the Government doesn't change its policy to the motor industry, there is little hope of it resuming a strong position in the economy.

Compared with other European countries, UK production has fallen well behind.

CAR PRODUCTION

| | MILLIONS |
|---------|----------|
| U.K. | 1.4 |
| 1984 | 0.9 |
| FRA. | 1.2 |
| 1984 | 2.7 |
| W. GER. | 1.8 |
| 1984 | 2.7 |

What's called for are measures to stimulate sales to boost production: e.g. abolition of the discriminatory Car Tax, less penalisation of the motorist, and the deductibility of VAT on company cars.

Only then will the motor industry fully recover to provide the jobs and revenue the exchequer requires.

STAND AND BE COUNTED

Hammering the motorist again and again with discriminatory, anti-social and ever-spiralling taxation is counterproductive in every sense.

Now is the time to put your foot down and write to your MP. It's never been more important that the Government understands the need to limit taxation - before the motorist and the country together reach the end of the road.

Botha refuses to sack police minister over killing of Cape Blacks

From Michael Hornsby, Johannesburg

A belligerent and unrepentant President Botha of South Africa has brushed aside foreign and domestic criticism of the killing by police of at least 19 blacks near Uitenhage in the Eastern Cape last week, and ascribed the widespread unrest to communist agitators orchestrated by Moscow.

"I'm going to keep order in South Africa, and nobody in the world is going to stop me", he told Mr Ted Koppel of the American television network ABC, in the last of the *Nightline* programmes broadcast last Friday from Johannesburg.

Yesterday Mr Botha angrily rejected demands for the resignation of Mr Louis le Grange, Minister of Law and Order, who is responsible for the police. It was the president's prerogative to appoint ministers, and he would not be influenced by agitators, he declared.

"It amazes me that while rioters defy and challenge the laws of the country and try to make South Africa ungovernable, and when we should be standing together to repudiate such action, attacks are launched on a minister doing his duty". Mr Botha told the Cape Town newspaper *Die Burger*.

Five of the eight parties represented in Parliament had demanded the resignation of Mr le Grange, saying he was unable to control his police force. They said the Uitenhage incident was only the latest example of repeated abuse by the police of their power.

The five parties are the Progressive Federal Party (PFP), the anti-apartheid opposition in the White chamber of Parliament, and four Indian and Coloured parties, two of which have ministers in the

Cabinet. It is not clear whether the two ministers supported the demand for Mr le Grange's departure.

The police version of the Uitenhage shootings, which Mr Botha has fully endorsed will be severely questioned in the White chamber today by PFP MPs, who have been given special leave to raise the matter during a budget debate.

POPULATION PROFILE

Total population: 31,300,000. Blacks (ie Africans of Negroid stock): 22,800,000.

(i) Inside the tribal homelands 12,000,000. (ii) Outside 10,800,000. Whites: 4,520,000 (80 per cent in the Cape and Transvaal). Coloureds (mixed race): 2,800,000 (84 per cent in the Cape). Indians: 880,000 (80 per cent in Natal).

Source: *Regional Population Estimates for 1983* (Published by the Bureau of Market Research of the University of South Africa). The bureau used the 1980 census as its data base, but made some allowance for blacks living illegally outside homelands. Distribution of blacks outside the homelands is as follows:

Transvaal, 5,973,600; Cape, 1,887,200; Orange Free State, 1,680,000; and Natal, 1,459,200.

Six PFP MPs led by Mrs Helen Suzman, the party's spokesman on law and order, spent the weekend in the Eastern Cape collecting affidavits from eye-witnesses of the killings, who all insist that the police were not provoked by the crowd and that they opened fire without warning.

According to the police, 3,000 to 4,000 blacks became hostile when told to disperse and surrounded a small unit of

black and white policemen, whom they attacked with sticks, stones and petrol bombs. The young white lieutenant commanding the unit fired a warning pistol shot into the ground, and when that had no effect ordered his men to open up with semi-automatic rifles and shotguns.

The eye-witnesses interviewed by the PFP, local reporters and others, uniformly deny that the crowd were armed with sticks, stones or petrol bombs. Some witnesses also claim that after their first volley the police opened fire again on people who had already been hit or were lying on the ground.

The MPs have established that there were two armoured vehicles - not one, as claimed by the police - at the scene of the shootings. "These are high-speed vehicles offering ample protection," Mr Errol Moorcroft, an MP, said. "Why did the police simply not drive away and fetch reinforcements if they felt the crowd was getting out of hand?"

There are persistent reports that more people were killed than has been admitted by the police. On Sunday, relatives of some of the dead were allowed into the mortuary in Uitenhage for the first time. A black priest who accompanied them counted 30 to 35 bodies, all of which he claimed had been shot.

What is not in dispute is that no attempt was made to disperse the crowd by tear gas or rubber bullets before resorting to rifle fire. Discrepancies have also been noted in the police account of what happened. First reports made no mention of the police unit having been "surrounded" by the crowd.

Crocker warning to Pretoria

From Nicholas Ashford, Washington

The Reagan Administration is determined to adhere to its policy of "constructive engagement" with South Africa, despite strong criticism prompted by American failure to take a stronger line with Pretoria over the killing of 19 blacks by South African police last week.

However, although determined to resist pressure for coercive economic measures against South Africa, the US is

becoming more openly critical of the white minority government.

During a television interview on his return from South Africa, Mr Chester Crocker, Assistant Secretary of State for African Affairs, gave a warning that the white minority could not continue to run the country "with guns".

"They cannot run it on the basis of a labour force that's

overwhelmingly black unless there's negotiation and dialogue. It's been delayed much too long."

President Reagan was strongly criticized by black American groups for his answer to a question during his press conference last Thursday in which he appeared to blame the latest violence in South Africa equally on the blacks and the police.

French win European bridge title

From A Bridge Correspondent, Monte Carlo

Paul Chemia and Michel Perron of France, the 1980 Olympic champions, won the Philip Morris European Pairs Championship closely followed by the runners-up in the 1984 Olympiad, Jan Fucik and Franz Terraneo of Austria.

In third place were Anik Boratz and Antonio Mordarotti, the mid-way leaders, while in fourth place from the relatively small Greek organization were John Manolas and Nikolas Patsatzis.

The leading British pairs were Kenneth Ford and Ian Swanson of Surrey in 27th place and Paul Hackett and Tony Sowter of Manchester and Nottingham, who were both in the prize money. Unplaced were Prith Roy and Arthur Uckrin of the north-east (54th), David Walker and Uriah Jacobson of London (60th) and Ian Francis and Tim Dean of London (61st).

While the sponsors would have preferred a very high prize they went along with the policy of the European Bridge Union with the result that 75 pairs received prizes which were a substantial contribution towards a not inexpensive weekend in Monte Carlo.

A total of 25 prizes were awarded in the consolation event and the best of the British were A. Mayo and Jean Hillier in fourth place, who took 1,000 Swiss francs (more than £300).

Pakistan PM takes on burden without power base

From Michael Hamlyn, Islamabad

As the new Prime Minister of Pakistan, Mr Muhammad Khan Junejo spent his first day in the splendour of his new office - formerly that of the chief martial law administrator, President Zia-ul-Haq, who moved out the day before with a flurry of good wishes - he must have contemplated the essential weakness of his position.

Confirmed in office by a unanimous vote of the National Assembly the day before, he none the less remains strictly a creature of President Zia, plucked from almost total obscurity to head a Government in which he, unlike the proverbial harlot, enjoys responsibility without power.

The Premier, aged 52, who took a diploma in agriculture from Hastings Agricultural Institute in Sussex before embarking on a career in politics, has virtually no power base he may call his own. His stint as Railways Minister in



Party message: Mr János Kádár, Hungarian party leader, delivering his keynote speech at the party congress.

Kadar reassures Hungarians on reforms

From Roger Boyes, Budapest

Mr János Kádár, Hungary's veteran party leader, yesterday launched a passionate hour-long defence of his country's economic reform, promising improved living standards to his countrymen and pledging continued contact with the West.

His audience was in the first instance the 935 delegates to the Hungarian Communist Party congress, meeting for the first time since 1980 to debate the future direction of the Budapest leadership.

But Mr Kádár - who spoke without notes for almost half of

his speech - was also addressing the Kremlin leadership. Sitting in the shining, ultra-modern Congress Hall was a senior member of the Soviet Politburo and active contenders for the top position in the Kremlin, Mr Grigori Romanov, who sat impassively throughout the speech, not joining in the two sporadic ripples of applause.

Mr Kádár confirmed that Soviet bloc leaders had agreed at the funeral of President Chernenko in Moscow to renew the Warsaw Pact treaty, which runs out in June. "We had to do this," Mr Kádár explained, "because NATO has rejected the idea of dissolution and has

snubbed our offers of a no-violence treaty."

Although Mr Kádár made a number of sidesteps at the dissident intelligentsia - who take up all too readily the discarded fashions of the West - the main point was to reassure the Hungarian population that there was not going to be a change of direction in Hungary's decentralizing reforms and that recent problems in the economy could be overcome.

He regretted that living standards were not fully maintained - and had indeed dropped for a portion of the population - and blamed this

largely on the problems of the international economy. Things would get better, he said, though this also depended on Hungarian producing more and better goods.

"We look back on five years of hardship and worries," Mr Kádár said about the living standards of Magyar. But he also pointed out the gains of the period.

A report circulated amongst the delegates during the morning of the congress made clear that the ambitious economic reforms were not failing the population, though it was also not producing any miracles.

EEC delay over farm price fixing

From Ian Murray, Brussels

Europe's eight million farmers are likely to have to wait at least another week before learning whether they will have to sustain a second consecutive price freeze imposed by the EEC.

Farm ministers met in Brussels yesterday for their annual price-fixing marathon but were so deeply divided that the Italian presidency had all but abandoned any hope of a settlement this week.

In theory the prices should be fixed by April 1, but the best that can now be hoped for is a settlement during a long hard meeting in Luxembourg for most of next week. The three-day meeting this week will concentrate merely on fining down national positions to make a negotiation possible.

The main problem areas remain cereals and dairy products, with West Germany objecting strongly to a price cut or further milk quota cut even though this is recommended by the European Commission.

Mr Michael Jopling, the British minister, is arguing for even more stringent price controls than are being proposed. He hopes to have wide support from all but Italy and Greece against the German demands.

Delaying the price fixing until next week means the issue will not be allowed to cloud proceedings at the European Summit in Brussels on Friday and Saturday.

If that meeting succeeds in plotting the Community's financial course, ministers will have a better idea what targets they can realistically aim for.

Togo election

Lomé (AFP) - Voters went to the polls in the West African state of Togo to choose 77 MPs and 22 alternative members.

World's tallest hotel is completed in Singapore

From Stephen Taylor, Singapore

The world's tallest hotel was topped out in Singapore at the weekend, an occasion which nearly symbolized the final eclipse of colonial influence and elegance as once epitomized by an adjacent hotel far below, the Raffles.

The 73-storey Westin Stamford, named, like its rather faded neighbour, after the East India Company official who founded Singapore, is part of a typical if particularly grandiose example of modern development here.

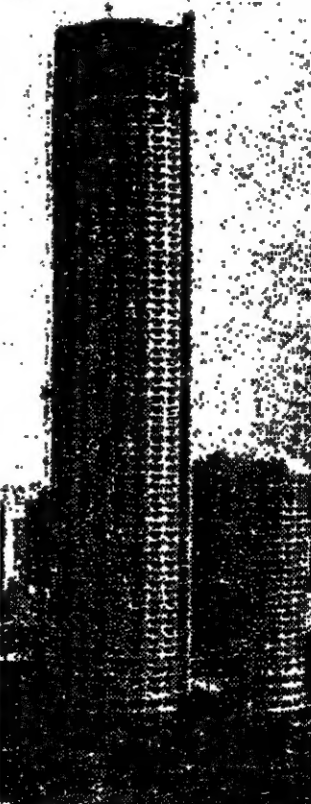
The complex, named Raffles City, will include another hotel, of a mere 30 storeys, and an office block of 44 storeys containing what the developers say will be the world's largest convention centre. On a clear day you can see Indonesia and Malaysia.

Just across the road is the entrance to Raffles, where the latest arrivals on the P & O used to be borne from Collyer Quay by horse-drawn carriages or rickshaws.

What Sir Thomas Stamford Raffles would have made of it all is hard to say, but the new complex illustrates the drive which turned a mosquito-infested swamp into a bustling city state. The trouble is, Singapore is overgrown with high-quality, high-rise hotels, and the question being asked is whether the developers have not bitten off too much at a time when tourism is ailing.

After impressive growth through the 1970s, the number of visitors fell more than 3 per cent in 1983 and gloom persists, despite the confident assertion at the topping out ceremony by Mr Wong Kwei Cheong, chairman of the Singapore Tourist Promotion Board, that growth this year will top 5 per cent.

Raffles itself only just survived a crisis in the 1970s but since then has profited modestly by appealing to the



High-rise: The 73-storey building towers over its neighbours.

vogue for nostalgic journeying. The ghosts of Rudyard Kipling and Somerset Maugham, who used to write here, are summoned in rather heavy-handed fashion.

In fact, for all the airy style of the palm court, the hotel has a rather run-down atmosphere and guests frequently complain about poor service and food. There is no shortage of guests or drinkers and the management says the occupancy rate this year has been running at 85 per cent, considerably above the average for Singapore hotels. With the likelihood that the neighbouring complex will generate more business, Raffles can anticipate a future well beyond its centenary next year.

Stalinists lose fight for party

From Olli Kivinen, Helsinki

The Eurocommunist majority of the Finnish Communist Party has used an extraordinary party congress to put finishing touches to plans to oust the minority Stalinist faction from the party.

The Eurocommunists persevered with amendments needed for the Soviet Communist Party has given strong support to the Stalinists. Mr Arvo Aalto, the Eurocommunist party leader, emphasized that the final solution to the long schism must be found well before the 1987 general elections. The Eurocommunists also indicated that the two factions will inevitably fight the elections with separate lists.

At the weekend congress, which the Stalinists boycotted, the Eurocommunists indicated that they will soon renew membership cards, which would enable them to purge the Stalinists without appearing as the instigators of the final break.

It is expected here that the ousting of the Stalinists will draw heavy fire from Moscow. Among the measures adopted by congress are two alterations to the party's rulebook as a result of which the all-Eurocommunist Central Committee is now able to expel rebellious Stalinist district organizations.

The Stalinists now have no sufficient power to call extraordinary party congress. The consent of one-third of the district organizations is needed for that, and the Stalinists control only one-third of the organizations after the Eurocommunists established their parallel organizations in districts controlled by the Stalinists.

The Stalinists have refused to work in the party's main organs since last May's regular party conference, and this has enabled the Eurocommunists majority to have its way on all issues.

Spy fears for other British agents

From Tony Dubouin, Melbourne

Mr Charles Evans, who was identified by British historian and author Mr Nigel West as a British agent who rose the rank of Lieutenant-Colonel in the German intelligence service, said yesterday that he was concerned that the blowing of his cover might endanger other British agents operating overseas.

He said that the Russians, for example, would now check back on anyone who had attended a British public school. Mr Evans was recruited by British intelligence while still at Marlborough public school.

He appeared yesterday on a current affairs programme on commercial television, and spoke on radio news. On television, he went over much of the ground covered by the story in yesterday's edition of *The Age* newspaper in Melbourne, which broke the story.

He said that he met Hitler and was forced to watch a film of the execution by hanging with piano wire of his old boss, Admiral Wilhelm Canaris, the chief of the Abwehr.

In yesterday's *Age*, Mr Evans told Mr West that he suspected Canaris was working for England "but I was never sure. Not, you understand, in a vengeful sense, but working against Hitler because he believed that was best for Germany. I was stunned when I heard Canaris had been arrested following the attempt on Hitler's life in July, 1944."

He said on radio that while he had to think and behave like a German he had never joined the Nazi party. "I had to think the Germans believe in Germany, but I steadfastly refused to join the Nazi party which was quite in order because Canaris, my old German boss, would never become a Nazi either."

Mr Evans said he always tried to avoid Germans in Australia because of the risk that he might be recognized. He said that during the Melbourne Olympic Games in 1956 a friend asked him to interpret. "A German overheard me and I recognized him as a former SS Obersturmbannführer. He tapped me on the shoulder and whispered in my ear: 'are you on the run too?'"

Asked on television if he ever wavered in his loyalty to Britain during his ten years under cover in Germany, Mr Evans said: "I never wavered at all..."

He said he felt terribly ashamed at the hour he was putting across his German friends, very ashamed.

"I felt that I betrayed them, there were a number of nice Germans. And I felt that I was betraying them."



Vicente Lladad: Went on long hunger strike

Philippines Vicente Lladad

By Caroline Moorehead

Just over two years ago, the chairman of the Communist Party of the Philippines in Southern Tagalog, Vicente Lladad, was arrested by security police in Manila while visiting relatives. Since that day he has been kept in solitary confinement in Camp Nakar in Lucena City, one of 11 political detainees charged with violating the Anti-Subversion Law.

He has also been accused of murdering a policeman in 1977, a charge for which human rights observers can find no evidence.

PRISONERS OF CONSCIENCE

Mr Lladad is 34 and a widower. Since the first day of his detention he has not been allowed to leave his cell, which contains just a bed and a table. There is not enough room for him to take any form of exercise. He is now feared to be suffering from tuberculosis.

In the 1970s Mr Lladad was a student leader at the University of the Philippines at Los Baños, and a member of a Catholic action group working among the peasants on land rights and education.

Nine months after his arrest, he joined fellow detainees on the longest hunger strike ever staged in a Philippines jail - over two months - against the conditions under which they were being held. It was lifted when a number of their demands were finally met.

Over the past two years hearings for his trial have been set, then postponed, as on each occasion either the presiding judge, prosecution lawyers, witnesses have failed to turn up in court.

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THE ARTS

صحنه من الراحل

Galleries

No place for demarcation

Issey Miyake:
Bodyworks
BoilerhouseTony Cragg
LissonThe Minor Arts of
China II
SpinkWilliam Staite Murray/
From Manet to
Hockney
Victoria and Albert
MuseumPatrick Reyntjens/
Guy Shaw
Freeland

Is it art, or is it just design, we ask, confident that such a clear distinction exists and that we know precisely what it is. But these days the distinction is much easier to invoke than to define. Where, for example, would we put the dividing line between Issey Miyake's extraordinary show *Bodyworks*, at the Boilerhouse in the Victoria and Albert Museum until April 9, and the collection of new works by Tony Cragg at the Lisson Gallery until April 27?

Miyake is of course a famous "designer", specifically of fashion, and in this case he has chosen to display a variety of his designs in one vast tableau which entails flooding the clear, clinical space of the Boilerhouse with viscous-looking black plastic, as though a volcanic eruption has taken place just round the corner, and burying some of his models up to their knees while other

hang obediently to one side or ascend gracefully to heaven at the rear. With varying lighting it makes a dramatic and very satisfactory installation, as we now tend vaguely to call unclassifiable works of possible art, whatever we may think of the individual garments - very sculptural, including rattan body vests and plastic moulded torsos - which are incorporated.

Tony Cragg is in this country at least, an equally famous "artist", in that most of his pieces have no apparent practical use, even as remote as Miyake's clothes. The new show includes a couple of pieces put together in the familiar way from fragments of brightly coloured plastic Cragg collects from street litter and rubbish dumps: *New Figurative*, a serpentine man who snakes across two walls executing a neat corkscrew in the middle, is a particularly charming example of his lively invention. *George and the Dragon* too, an assemblage of plastic piping enfolding a milk churn, a prop basket and a kitchen table, fills a room memorably, and, if the built wood pieces, *Mountain Lake and House*, are slightly less compelling, at least they show Cragg developing and trying out new things. In the mid-Eighties we are hardly likely to balk over the terminology which classifies this as art: the only question it raises is why the term should not be extended even more widely, to include Miyake and the amazingly inventive "Bronze Age" fashions of Bill Gibb's new collection, with their command of line and colour far beyond that of many unargued practitioners of the fine arts, or into realms still traditionally, snobbishly relegated to the less eminent area of crafts.

It seems to be a hang-up specific to Western culture. The second collection of *The Minor Arts of China II* at Spink until April 3 quite happily mingles furniture and fans and snuff-boxes and ceramics with paintings and sculpture and things which in the West would normally be kept strictly segregated. And rightly so, for they all embody an attitude to life, in

which the fact that something is made for use should not - cannot - preclude its being beautiful and vice versa. In fact, it tends to be the case that, the more clearly divorced from use a piece is, the less aesthetically interesting it is too. The robes and the carpets are often breathtaking, while the glass-paintings (mostly designed for the export trade anyway) and the hardstone carvings are much more questionable, tending to sentimentality or excessive ornamentation.

It is curious that, all the same, we have no difficulty in accepting that Chinese ceramics, even when obviously meant to be eaten off, are art ("minor", perhaps, but still...), while we continue to nuzzle over the work of William Staite Murray, a stunning display of whose pots is at the Victoria and Albert until April 28, a little later for the centenary of his birth, which fell four years ago. Somehow the very term "studio potter" carries with it the implication of something arty rather than artistic, high-minded and eccentric and peripheral. High-minded and in certain respects eccentric Murray certainly was - one of his most quoted dicta was "Potting is practical theology" - but as a friend and associate in the Twenties of Ben Nicholson, Christopher Wood, Barbara Hepworth and Henry Moore he can hardly be said to be peripheral; and, though he had strong connections with the Arts and Crafts movement, he was also regularly exhibited alongside and on equal terms with the more avant-garde artists of his circle.

Unfortunately he went to Rhodesia in 1939, got stranded there by the war and never returned before his death in 1962, so that until recently he has been more or less forgotten. But his wonderfully simple, expressive pots clearly place him in the mainstream of twentieth-century British art, and it is notable that the earliest pots on show, with their Vorticist decoration, are the most obviously advanced for this artist, whose main preoccupation was the excavation of a channel between past and present through which inspiration



Miyake's models buried to their knees or ascending gracefully to heaven at the rear

Patrick Reyntjens is our leading stained-glass artist, which, given the pallor and ghastly good taste which hang over most of the work done in that field these days, may not seem much of a commendation. However, there is no questioning the richness and individuality of his particular gifts, and the new panels, which break away from the church connection with a group of vividly imaged scenes from Ovid, happily combine tradition and modernity, a colour range worthy of Canterbury Cathedral with powerfully rhythmic composition and a flow of sometimes grotesque invention which enable them unselfconsciously to get the best of both worlds.

At least there is one area where by general consent design and art can come together without raising any question of priority, and that is the making of books. Since it seems the time for the major national museums to show their prizes, the National Art Library of the Victoria and Albert Museum has decided to get out for our delectation some 150 illustrated books from Manet to Hockney (until May 19). It is often forgotten that the National Art Library exists at all; it is certainly often forgotten that it is a department of the V and A, with its own collections. After this show, it will be very hard to forget either.

Whether your taste runs to the grace and tranquillity of the books decorated by Bonnard or Emile Bernard or Rippel-Ronal in France at the turn of the century or to the typographical excitability of the Russian Constructivists, the swinging social satire of Beckmann and Grosz or the sacramental cool of Eric Gill, the monumental simplicity of Ullrich or the prodigious invention of Picasso, this can hardly help being your show: an occasion it would be difficult to match for richness, subtlety and variety - not to mention the intense desirability of the individual exhibits - which at once sweeps aside all practical possibility of saying this is art, this is design, and never the twain shall meet.

John Russell Taylor

Screen in struggle

Lino Brocka is surprised by the inaccurate reports current in London that, following his original 19-day imprisonment this year by the Marcos authorities, he was rearrested, imprisoned for a second term, and is still held under house arrest. Although flattered by this interest, the embattled Filipino director, whose film *Bayan Ko* opens this week at the ICA, is glad to be a political militant rather than a political martyr. "The object of the prison sentence was to intimidate and silence us. Unless I speak out now they've won."

The Marcos regime has certainly not silenced the highly vocal Brocka. He was arrested on January 28 for demonstrating in support of a transport workers' strike, along with seven other members of the organization Concerned Artists of the Philippines. He attributes his early release to the wide international publicity given to his case: two student leaders arrested with him are still imprisoned.

The very day he left jail, he was again speaking at a rally. "My lawyer said I could not speak about the case; so I asked him 'Is there anything to stop me cursing and damning THEM till kingdom come?' He said there wasn't, so I have been doing just that."

He is active in a new opposition group, the People's Democratic Alliance ("Bayan"), led by Jose Biokno and linking various, "cross-orientated" groups not directly connected with political parties. He is also a member of the national executive committee of the Movement to Abolish PDA (Preventative Detention Act), the presidential decree under which Brocka and his colleagues were arrested.

Surprisingly, with all this political activity, Brocka still finds time for film-making. He is simultaneously occupied with post-production of a film shot before his arrest, *White Slaves* ("a sex drama"), and a new picture made since prison, *Miguelito*. Speaking from Manila late on Sunday, he said that he was determined to wrap up *Miguelito* yesterday, since the rest of this week will be taken up with political demonstrations. "On Thursday there's an indignation rally to protest at the violent suppression of a demonstration on March 15; and on Friday the lawyers are joining us in a protest march from Manila City."

Brocka's infectious and irrepressible vitality are, it is apparent, undiminished, even though the capital charges of sedition and illegal assembly on which he was arrested still hang over him. His passport has been withdrawn, though he will challenge this in the next day or so, when he applies for permission to leave for the Hong Kong Festival on April 1.

The status of *Bayan Ko* also remains in doubt. The script, based on a real police case, was approved by the Philippine censorship authority some years ago, but Brocka and his scenarist, Jose F. Lacaba, have significantly updated it to the period following the Aquino murder. Since it is a French production, the Philippine authorities could not prevent its showing at last year's Cannes Festival; but at home it is forbidden by the censorship. Mahila's own festival, uncensored, prestige films, uncensored, asked for *Bayan Ko*, but Brocka and his producer declined the invitation.

In Sunday's telephone conversation Brocka reads out the day's headlines in the Manila papers. They were not good - Big Build-up of the Army; Disappearance of a Journalist; Repression of Strikes. Is he still optimistic about the Philippines' future? "You know me! You have to keep faith with the people. Administrations will come and go; but the people remain!"

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Fischer-Dieskau/
Höll
Covent Garden

He put us straight right from the start. This was not, as many had hoped and some few had feared, a recital of Brahms Lieder. Refusing applause between songs, flinching from the audience's persistent coughing, Dietrich Fischer-Dieskau gave us a rich and entire two-act human drama, directed and stage-managed with consummate artistry - and with music by Brahms.

Few other singers would have attempted such a selection of one composer's work; and fewer still could have paced it so that it was difficult to believe that the songs ever existed singly. Mörke's Aeolian harp was the invoked muse: the private reflection on a simple May catkin the ultimate destination. Act I, with its intense Von Platen setting, took us into the heart of darkness; Act II returned there, but calmed by the lyric simplicity of Goethe and Heine.

Fischer-Dieskau was every bit as much in control of the changing boundaries of his vocal range and personality as he was of the drama it played out. Within the first 10 minutes, for instance, the sheer concentration of fear and energy, more than mere dynamic range and resonance, gripped the listener by the throat in the repeated cries of "In der Nacht, in der Nacht". In a partnership vibrant with enthusiastic empathy, Hartmut Höll extended each song's scope, here in the piano's answering hammer-blows and later in prelude and postlude.

After the climactic self-questioning of "Wehe, so willst du mich wieder", the voice was gently released, and the voice's verbal responses simplified in folksong and lyric. For Goethe's "Serenade" and the pastoral of Heine, he found a new, deceptive ingenuousness, colouring shorter lines with

Remainder merchants, mercenaries of the book trade, are merry monarchs of all they survey. Publishers, for their part, do not readily admit that remainders exist. If copies of a book are unsold it means, or used to mean, that the publisher has miscalculated. He has either printed too many copies, or undersold them or - for whatever reason - priced the product too highly.

Sometimes the book just is not particularly good and there is no demand for it: the last biography of Boudicca or Mrs Thatcher still stands. If publishers only issued books of the highest quality, their lists would, let us say, be infinitely smaller than most of them have to be to achieve a decent turnover.

More and more books, as more and more titles are brought out each year, are finding their way into the remainder shops, sometimes within less than a year of being published. These shops run on extremely tight margins and those that do well - the Booksmith chain, run by the bearded, genial, former editor of *Books and Bookmen*, Bill Smith (the Book Smith himself), and Henry Pordes of Finchley and Charing Cross Road, a family firm which has been in remain-

lighter, livelier vowels and timbres. Masks changed more rapidly, from the volatile reactions of the drunkard to the lover's averted mezza-voice discovery of the sound of a seashell. And among it all there was the single line or stanza which travelled as far as an entire song or programme: the last prophetic stanza of "Abendregen", for instance, seemed a microcosm of the entire evening's achievement.

Hilary Finch

Philharmonia/
Marriner
Festival Hall

Orwell told us that "good prose should be like a window pane", and Neville Marriner might add "good conducting, too". His way is to attend closely to detail, present the musical argument in the clearest possible way, then stand well back and allow the composer to speak directly to the listener. If his own personality influenced the music too much, one feels he would regard it as a blemish - like a dirty window.

This approach worked well with Dvořák's Symphony No 8, Dvořák was one of the great blenders of orchestral timbres in musical history, and a conductor who balances instrumental weights as finely as Marriner did in the opening theme, or holds up the second subject sufficiently to allow the flute a rare chance to project its rustic decorations into the texture properly, is on the right track.

The Adagio's great climax did seem rather bland - a broader pace might have helped here - but there was a crackling excitement about the endings of the outer movements, even if the breathless pace of the finale's coda reduced those infamous trombone scales to raspberries. The most successful movement, however, was undoubtedly the third, where

Every book remaindered and sold at a slashed price is another nail in the coffin of the book to be published tomorrow. I would surmise that those customers who frequent remainder shops rarely visit stockholding bookshops, except perhaps the more popular stores. It might be argued that such customers are an additional potential market for new books at net prices, but there is little evidence to support this.

They have become conditioned not to books being sold off - an admission of failure by the publisher, an opportunity to remove the offending volume from the retail trade - but to books being cheap, too cheap, in fact, for their own good, for the good in the long term of new book buyers.

Concerts

Marriner just once indulged in a delicious pause on the tune's upbeat, and allowed his violins some luscious, swooping portamento.

His conducting style is undemonstrative - never an elbow lifted where an eyebrow would do - but the precision and clarity of the Philharmonia's playing in Mendelssohn's Symphony No 4 bore witness to his professionalism in rehearsal. Indeed, the Andante had a chamber-music cohesion, though again one felt that a more soulful interpreter would have made more of its "question mark" ending.

Perhaps there was an advantage too, in having a restrained and urbane an interpreter as Marriner for that preposterous pictorial pastiche, Respighi's *The Birds*, which imprisons some innocent eighteenth-century musical fowl inside the gilded cage of the full Romantic orchestra. Marriner declined to add any wild imaginative flights of his own, presenting the work as an orchestral showpiece in which his wind principles could chirp prettily. And with their teamwork "The Hen" they certainly achieved quite a coop.

Richard Morrison

Friedenstag
Sheldonian, Oxford

It might seem unbelievable that a Strauss opera should have had to wait nearly half a century for its first British performance, but then the grim, soldierly *Friedenstag* is indeed pretty unbelievable. We are in a beleaguered town during The Thirty Years' War. The Commandant determines to blow up the citadel rather than surrender, and his wife Maria insists she will go with him: she is the only named character in the piece, and indeed the only character with any life. The pair join in an impassioned hymn to war, exultant on his side and bitter

Abbey Simon
Queen Elizabeth Hall

At the outset of his programme on Sunday, Abbey Simon's piano artistry reminded his audience that Beethoven's *Bagatelles* are no mere trifles but remarkably varied explorations of keyboard fantasy. He played the first set of seven, Op 33, with a keen rhythmic impetus in the more extrovert among them, some beautifully veiled soft passages, including the echo phrases in the gently rocking triple time of No 3, and an engaging suggestion of harpsichord figuration in No 4.

From Beethoven to Brahms was a giant leap in pianistic terms, but Mr Simon accomplished it in a warmly romantic yet musically purposeful account of the F minor Sonata, Op 5. Hunched over the keyboard on a piano stool specially tilted forward by legs of uneven length, his head seldom raised from its angle of close concentration and his body utterly unmoving from the shoulders to the lower limbs, he put a forceful technique at the service of imaginative feeling.

Opera

on hers, but then distant bells announce the end of hostilities. The Commandant refuses to believe their message, and is persuaded only when Maria again intervenes. Finally all swing into a massive paean to peace.

Very possibly the fact that the opera was first performed in Munich in 1938 has made this last episode appear somewhat dubious, no matter how colossal scored and emphatically voiced in C major: its weight might seem no more than that of a piece of paper a prime minister might wave at an airport. But Strauss's interest is not really routed by this part of the opera at all: most of his enthusiasm goes into the figure

A strong opening movement, spacious yet searching, was followed by a tender Andante espressivo, abundantly moonlit in its evocation of the romantic spirit of the lines by Siermau printed over the music's first bars. The pianist's flexible phrasing accommodated a wealth of poetic feeling here and in the thoughtful intermezzo movement later, separated by a suitably energetic scherzo and completed by a fifth and final movement which benefited from its strong sense of musical direction.

After the interval Mr Simon turned to Chopin and the complete set of 24 Preludes, Op 28, played in their published sequence through the major and minor keys. The performance embraced a full variety of interpretation, from conversational and poetic to solemn simplicity and a seamless flow of rapid or tempestuous finger-work.

How refreshing also to hear the seventh Prelude freed from its balletic associations of *Les Sylphides* and played up to tempo as a song of contentment.

Noël Goodwin

of Maria, especially when, like the Marchallin, that other military wife, she enters to transfigure the drama. He also takes advantage of the choral opportunities, unusual for him, in the early part of the opera, which casts back to the expressionism of 30 years before.

It also casts back to the oratorio character of *Fidelio*, which features helped make this concert performance by the Chelsea Opera Group quite apt. A long, able line of soloists was led by Florian Cerny and Marie Hayward Segal, and the score was vigorously conducted by Nicholas Cleobury. There is a Camden Festival performance on Thursday.

Paul Griffiths

copies. Mr Pores will grant you a discount of 46 per cent.

A number of major publishers when costing new books, especially expensive and heavily illustrated volumes, will solicit orders from remainder firms before they place their initial printing, and run on extra copies - sometimes but not always on inferior paper, and with a different binding - for the remainder market to sell in a year or two's time. These books will be housed in the warehouse until demand seems to have been satisfied for the original high-priced edition.

In such cases, it is the preparedness of the remainder merchant to invest in the book which makes it possible for the net price to be lower than otherwise it might be because he has allowed the first printing to be increased. When these books appear in the remainder shops, they may - with some lack of exactitude - be described as "special reprint", "popular edition" or "new edition". And, in case you missed the original reviews, Mr Pores describes his Complete Shakespeare as "A bestseller through the centuries". So it is not quite a case of: "When it's a remainder?" "When it's a book."

E. J. Craddock

Television

A new pilgrimage

Arena (BBC 2) illustrated the opening words of *The Canterbury Tales* with some images of modern life along the Old Kent Road: this was where that famous pilgrimage started, although the only remaining religious site appears to be the Thomas Beckett public house, where boxers engage in their devotions. But, even if there are few reminders of the past in the immediate surroundings, there may at least be some continuity in the English character which adds significance to Chaucer's words: that was the theme of this programme, *Old Kent Road*, and that was why a number of colourful locals were asked about their memories of an older London.

If television has wrought any permanent change in our perceptions, it is in our understanding of time. This was apparent in last night's documentary which, through old newsreels and photographs, so constantly and evocatively recalled the past that it seemed to overwhelm the thin and wayward present. The old fire station has now become an art "co-operative", the ancient

cinema is now being demolished, and the Victorian hat-makers has been transformed into a shop which sells lyres. The tyre-seller himself suggested that the spirit of the hat manufacturer still haunts his old premises, but there are so many ghosts in this area that it would be invidious to mention one in particular.

And set some things have not changed: Bert's pie shop is still very much in evidence, fishing tackle is still being sold in an eighteenth-century dwelling, and some of the older parties (to be seen having their hair "done") have triumphantly survived the passage of the years. And, in pubs called *The Rising Sun* or *The Green Man*, they still sing certain of the old songs. The generations pass over this small area of London, themselves like pilgrims. This was an ingenious and agreeable programme but somehow it managed to become more than the sum of its parts: by hinting at much larger themes of time and permanence, it was often very moving.

Peter Ackroyd

The Woolwich
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W
WOOLWICH
EQUITABLE BUILDING SOCIETY

In the first of a three part series on insolvency, Stephen Aris highlights discrepancies in the treatment of bankrupts

Unequal in the eyes of the law

BANKRUPTCY PART 1

The economy may be on the mend but the cost of recovery is high. Last year some 13,600 companies failed and 8,000 people went bankrupt - more than ever before. Against this

background, Parliament is currently debating the first comprehensive overhaul of insolvency law for more than 100 years.

An important forthcoming book takes a hard look at the bankruptcy business. Here the author considers the plight of the individual bankrupt and asks why is there one law for the rich and another for the poor?

At the height of his fortunes in the late 1960s, William Stern was invariably described as Britain's biggest private residential landlord. As managing director of the Freshwater Group he controlled more than 20,000 flats in London alone: an empire which only the larger local authorities could match.

But even in adversity he attracts superlatives. His business crashed in 1974 when the property bubble burst. And when, four years later, he went bankrupt for the truly amazing sum of £118,690,524, he earned an unwanted place in the Guinness Book of Records as the world's biggest bankrupt.

The public was astounded: how could anybody go bankrupt for such an unbelievable sum? But the professionals were unimpressed. "It is," said the Official Receiver in a remark that he must surely now regret, "just an ordinary bankruptcy with noughts on the end."

Size apart, Stern is far from being an ordinary bankrupt. He continues to live in some style in a magnificent £400,000 house on the edge of Hampstead Heath. He has three cars, a Jaguar XJ 4.2, a newish Honda Accord, and a T-registered Ford Cortina in which the chauffeur drives the children to school.

In 1979, the year after his bankruptcy, he applied for planning permission to build a £15,000 games room. And when his eldest daughter, Miriam, was married in 1982 another £15,000 was spent on a reception in a marquee on the lawn, followed by a meal for several hundred guests at London's Cafe Royal. The house contains valuable paintings and Stern's wife, Shoshana, has furs and jewellery valued some years ago at £49,000.

Stern and his wife enjoy a lavish life style. At his application for discharge in the spring of 1983 he testified that between 1971 and 1978 he and his wife spent £639,000 on themselves - an average of £97,000 a year. The bulk of this money - some £457,000 - had come from Stern's own company, Wilstar, in the form of loans to his wife. And even after he went bankrupt the annual outgoings, so the court was told, were of the order of £30,000.

The creditors, on the other hand, have received only a tiny fraction of the sums owing - under £1m - of which nearly all has been provided by Stern's long-suffering family in the United States. From his own resources, however, Stern had contributed by early 1983 no more than £26,650.

If Stern had a secret it lay in his character and his approach. The bankers found him infinitely reassuring. His manner was always sober, punctilious and correct. And his belief in himself was so absolute as to be infectious. He invariably gave the impression of being a very rich man. And yet when the crash came in May, 1974, the personal

guarantees he had given were revealed as being almost worthless.

However desperate Stern's plight might have seemed, it was by no means certain that would actually go bankrupt. At that stage the creditors, with the exception of the First National Finance Corporation which was owed nearly £10m, calculated that there was more to gain by saving Willie Stern than from ruining him - a view shared by the liquidator, Sir Kenneth Cork, and the Bank of England, which put discreet pressure on First National to drop its bankruptcy action.

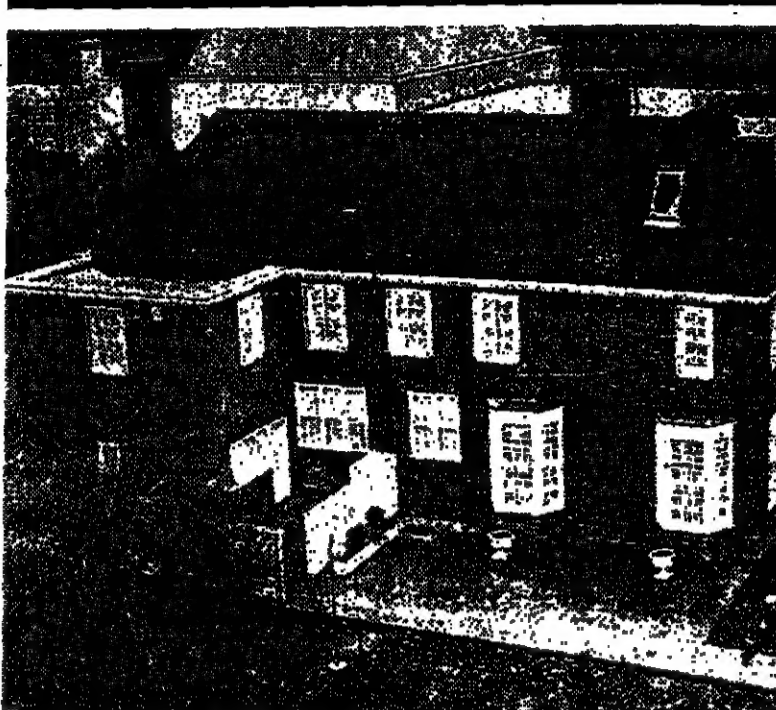
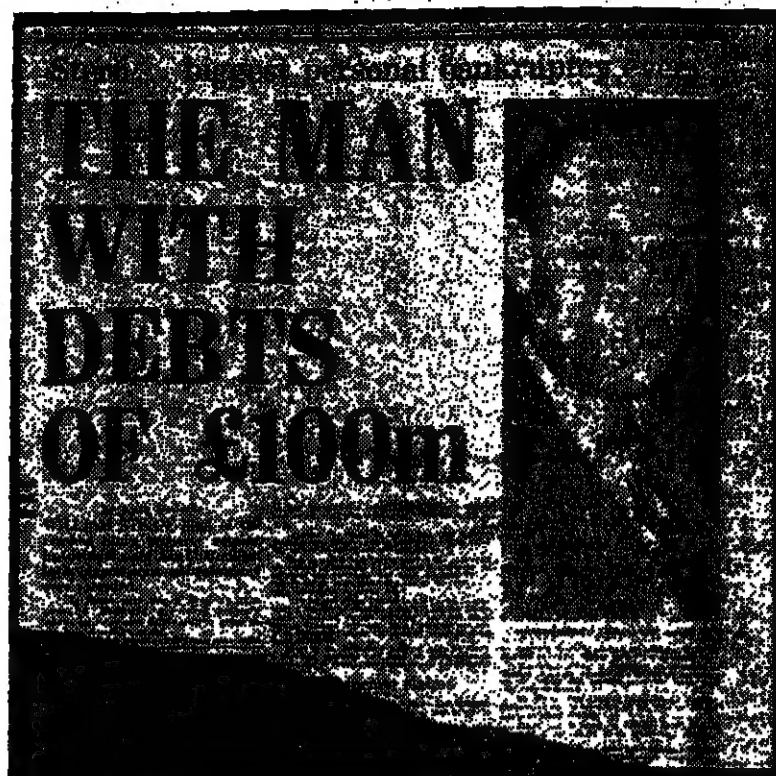
Behind all the wheeling and dealing loomed the problem of the £457,000 that Stern's wife had borrowed from the master company, Wilstar, to furnish the house. This money quite clearly belonged to the now insolvent company and Cork Gully, the liquidator, was pressing for it to be repaid. But how? The only real asset the Sterns possessed was the house in West Heath Avenue. And so arose the awful possibility that Stern would lose not only his companies but his house as well. Similarly if the creditors ever lost patience and decided to put Stern into bankruptcy the house would again be at risk. Stern therefore sent urgent messages to his father in America and consulted his lawyers.

The bankruptcy laws are exceptionally severe. But there is one loophole through which many bankrupts have escaped. Section 42 of the Bankruptcy Act of 1914 lays down that if assets are sold or transferred at least two years before a debtor's bankruptcy then the creditors have no claim unless it can be shown that the debtor was insolvent at the time. Even then if it can be proved that the transaction was done in good faith and at a proper price the deal will stand.

Usually it is the wife who benefits from Section 42, which is why this practice is often known as "In the wife's name". But in this case it was Stern's father, Edmund Stern, who gallantly came to the rescue by offering to buy the house and its contents for £179,000 and to hold it in trust for Stern's children.

It was understood that part of the money would be used to help Mrs Stern pay off some of the Wilstar loans and that part could be used to sustain the Stern family in a manner of life to which they had grown accustomed. But there was no firm agreement as to what proportion should go to the creditors and what should be kept for the benefit of the Sterns themselves. That apparently was left to Willie Stern's own discretion.

In court under cross examination Stern confirmed that what triggered the deal was the threat of his impending bankruptcy. "When the possibility of my own bankruptcy and that of my wife's became clear," he wrote to Cork Gully's Gerry Weiss in November 1974, "a helping



Symbolic insolvency: William Stern was considered to be worth saving and creditors stayed their hands; Stern, pictured (above right) leaving the High Court in 1983 after applying for discharge, still maintains his millionaire's lifestyle in his house in Golders Green

hand was promised and it is in this context that the idea of selling the house to my father was conceived". As things turned out he need not have worried. The creditors stayed their hands. It was not until May 30, 1978, that Stern was formally adjudged bankrupt.

Five years later, in March, 1983, Stern came to court to apply for his discharge. For six long days Stern and his lawyers attempted to persuade the court that he had served his time and that the crushing burden of debt should now be lifted from his well-tailored shoulders. The case would have lasted even longer had not the family in New York, after much toing and froing on the transatlantic telephone, sent a message that it was willing to hand over a further £500,000 to help pay the creditors and the lawyers whose fees had by then risen to £85,000.

Even so, the judge was not altogether satisfied. He had been unimpressed by Stern's performance in the witness box and said that "the transactions over the house do not redound wholly to his credit". He therefore granted Stern his discharge but suspended it for another two and a half years - until this coming September.

Stern is no criminal: he has broken no law, however distasteful his personal use of company money may have been. But if laws are to be respected and obeyed they should be both fair and seen to be fair. What offends in the Stern case is that there appears to be one law for the rich and well-advised and quite another for the poor and confused. And what makes Stern's behaviour so open to criticism is that he deliberately and cynically took advantage of what, to other, more scrupulous, folk might have seemed a crushing liability. He

knew very well that his debts were so enormous that even if he worked for a hundred years he would never be able to pay them off. So why bother?

The accountants and others who run the bankruptcy machine tend to assume that once a person cannot pay his or her debts there is no alternative but to set the machine in motion and apply the full rigour of the law. But what is left out of this reckoning is the human and economic cost - both of which can be horrendous. Once the process has started everybody takes their cut: the Official Receiver, the trustee, the solicitor, the valuer, the estate agent and the auctioneer - not to mention the Department of Trade and Industry. If goods have to be forcibly seized, which happens quite rarely, then the bailiffs and the removal men have to be paid. There is even a hefty fee to put oneself into

bankruptcy. Frequently the costs of administering the bankrupt estate - a process that often drags on for years - far exceed the original debt.

On top of the financial penalties there is the emotional cost. The trauma of going bust is, I discovered, so great that even years later many well-qualified and well-educated people find it difficult to explain clearly and dispassionately what had happened and why. Driven into bankruptcy for quite small sums, even though their assets at the time far exceeded their debts, many people I met were shattered by what had happened and were obviously quite incapable of picking up the pieces of their ruined lives. The common idea that bankrupts are invariably inadequate and often dishonest people who take refuge in the bankruptcy courts in order to avoid their creditors is in my experience a myth. It is often said of a drowning man that on the point of death his whole life passes before him. Much the same is true of bankruptcy. Most of the props that sustain lifestyle and identity are removed. All his possessions, save such essentials as beds, bedding and the tools of his trade up to the value of £50, pass into the custody of the Official Receiver to be held for the benefit of his creditors.

All bank and savings accounts, insurance policies and other assets are either seized or frozen. The bankrupt can obtain no credit over £50; with the result that telephone, gas and electricity are frequently cut off unless the bankrupt either puts down a cash deposit or agrees to the installation of a coin-in-the-slot meter. His business life is curtailed as he is forbidden, without the permission of the court, to act as a director of a company or be concerned, either directly or indirectly, with the running of a business. And he is also prevented from playing any part in public life.

The final indignity, perhaps, is that any letters addressed to a bankrupt can be redirected to the Official Receiver. The sole consolation for the loss of these liberties and rights is that under the protective cloak of the Official Receiver the bankrupt has a shelter from the demands of his creditors.

One North Country builder, Jim McQueen, gave me a vivid account of what happened the day he ran out of cash. He is a large, burly man, with a thick bushy beard and very dark, glossy hair. He suffers from a heart condition, brought on, he says, largely by his problems, and now lives in a caravan with his wife and family on the Isle of Skye. He had, he explained, just started on a small job, putting in some windows, when a gentleman in a rather grubby suit arrived on the site and asked: "Are you James William McQueen? My name is Green and I'm representing the Sheriff of Lancashire."

"He pulled out a piece of paper," McQueen recalls, "told me to empty my pockets and hand over my wallet. 'If you move anything, you will go straight to jail', he said. 'Mr Green had been called in by one of McQueen's creditors to whom he owed £120. (This episode took place before the limit was raised to £200). 'I pleaded with him to give me four hours to try to raise the money but he would have none of it', said McQueen.

"I asked: 'What can I do?' 'Declare yourself bankrupt.' But I

don't want to go bankrupt. You have no option."

"I was at my wit's end. I did not know what to do", McQueen recalls. "The only thing I could think of was to go and see somebody I knew in the town whom I knew had gone bankrupt but I found him and his wife in such an appalling condition that it was obvious I could expect no help there. I was advised to borrow £10 and to declare myself bankrupt. So I borrowed the money from my sister and did what I was told. Looking back I found it totally amazing. I was 24 at the time and completely naive. I believed implicitly what I was told by professional people."

"Everything I had was taken. My main asset was my home - a modest, terraced house, three-storey, kitchen, bathroom and workshop. It was no great shakes but I guess it was the best house at the time. It was sold for £1,200 - £400 under its market value. The first person who came to see it snapped it up the very first day it was on the market. We had a six-week old baby but they gave us six weeks to leave the house."

"At the time I had trade debts of £500 and there was a £600 mortgage on the house. So I was expecting something back. But by the time I got out of it seven years later, what with fees and legal costs, the £500 had jumped to £2,000. At no time did I ever have any personal debts."

Eventually all the creditors were paid in full but those seven years had left a bitter taste. "I came to feel that the whole of society was against me", McQueen says. "You must pay the price for owing money. And in this sense bankruptcy is as much



Poor law: James McQueen whose life and business were destroyed for £120

symbolic as real. What angers me is the indiscriminate nature of it all... Everybody is branded with the same iron. Honesty does not come into it. I was once quite a successful businessman with a business employing dozens of people. But once you have been bankrupt you are over the fence. You are thrown out. You are isolated. My lawyer advised me to leave town. But I refused: 'What have I got to run from?' I asked. And so then the punches got harder."

Adapted from *Going Bust*, by Stephen Aris, to be published on April 25 (Andre Deutsch, £8.95).

TOMORROW

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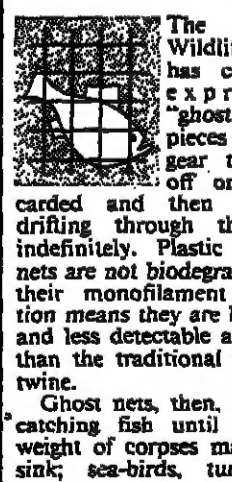
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Drifting nets of death



The World Wildlife Fund has coined the expression "ghost nets" for pieces of fishing gear that break off or are discarded and then carry on drifting through the oceans indefinitely. Plastic or nylon nets are not biodegradable, and their monofilament construction means they are less visible and less detectable acoustically than the traditional strands of twine.

Ghost nets, then, can go on catching fish until the sheer weight of corpses makes them sink; sea-birds, turtles, and especially marine mammals are also at risk.

Legislation for life

The inscrutable Argentines have passed legislation declaring the southern right whale the country's "first living natural monument". Borges, presumably, will be the second.

Threat to the records of the Wrecks of the Sea



Nineteenth century illustration of a beached whale

One issue exercising Dr Margaret Klinowska, a cetacean specialist at Cambridge, and many of her colleagues, is the proposal by the Department of Transport to abolish the office of Receivers of Wreck, who are responsible for reporting strandings of whales, dolphins and porpoises. Since the 14th century the Royal Fish Law has defined such cetaceans as Wrecks of the Sea if they come ashore, and property of the British Sovereign.

Until 1887, in fact, a

Findings A series reporting on research: CETACEANS



WWF and its scientific partner, the International Union for Conservation of Nature and Natural Resources, are pleased with the preliminary results of an experiment in "benign" methods of whale research: that is, observation in the wild rather than laboratory analysis of carcasses. For the past three years a small research ship Tulip, has waited round the Indian Ocean studying the habits and movements of sperm whales.

The scientists, who have never for a moment suggested that theirs was a hardship posting, have developed photographic techniques for identifying individual animals by their dorsal fins and flukes, and have added some evidence for the long-held theory that the mature males visit the same groups of females and immature whales in the same place from one year to another.

"A better knowledge of sperm whale social behaviour is urgently needed to assess the effects of whaling on sperm whale populations", says WWF.

Dreamless dolphins

Dolphins and porpoises may not be intelligent but because they do not dream, Russian scientists have established that two species at least, the harbour porpoise and the bottlenosed dolphin, fail to show any signs of the phenomenon known as REM (rapid eye movement) sleep, which is more or less universally accepted as evidence of dreaming.

In both species, too, only one side of the brain sleeps at a time, a mode of sleeping all but unknown in other animals. The Hubbs-Sea World Research Institute of San Diego says: "The unilateral sleep and the lack of REM sleep are thought to be adaptations necessary to insure normal and safe respiration, in spite of the cetaceans' need to swim, even while sleeping."

By some accounts, moreover, "the latest stages of neocortical evolution, which began to evolve in reptiles and land mammals some 50 million years ago, have apparently not yet been reached in the dolphin brain."

Sleep for tidy minds

REM sleep - or dream sleep, or "paradoxical" sleep as it is sometimes called - is thought to

represent a kind of tidying-up process in the brain. Sir Francis Crick and Greene Mitchell have described the process as "reverse learning" in that it



clears away cortical impulses that might otherwise result in inappropriate behaviour.

The only terrestrial animal to do without dream sleep is the echidna, or spiny anteater, of Australia, a primitive mammal.

Mutual disrespect

Several bizarre incidents involving apparent attacks on humans by hitherto friendly dolphins in West Country coastal waters last year may have been the result of believing too literally the old wives' tale that dolphins always treat humans with respect. In fact, Dr Margaret

Klinowska, a cetacean specialist at Cambridge, told a seminar recently: "Dolphins treat people very much as they treat other dolphins - sometimes gently, sometimes biting, hitting, ramming or holding under water."

Dr Klinowska took a dim view of the stress that well-intentioned humans may cause the animals in the cause of scientific observation or inter-species amity. "Whether or not it is right to keep dolphins, or any other animal, in captivity is an ethical question which is open to debate. Even scientific studies - designed in part to help resolve the ethical dilemma posed by captivity - can transgress the very fine line between 'what may or may not be done once there is interaction with an animal'."

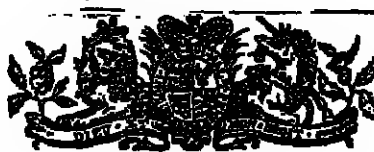
In the United States, "even causing a wild dolphin to change swimming direction, may be 'harrassment' and thus illegal under their Marine Mammal Act".

Tony Samstag

CONCISE CROSSWORD (No 604)

| | | | | | | | | | | | | | |
|--------|---------------------|------------------|-----------------|----------------------|------------------|-----------------------|-------------|---------------------|--------------------|------------------|------------------|------------------|--------------------|
| ACROSS | 1 Light bracket (6) | 2 Open mouth (4) | 3 Lift up (5) | 4 US guard's van (7) | 5 Astounding (3) | 6 File (4) | 7 (13) | 8 S Amer Indian (4) | 9 Evening star (8) | 10 Alleviate (7) | 11 Forbidden (5) | 12 Cut short (4) | 13 Not obvious (6) |
| DOWN | 1 Ascend (5) | 2 Loose egg (3) | 3 Luncheon (13) | 4 Taint (4) | 5 Saying (7) | 6 Chest of draws (10) | 7 Look (10) | 8 Fortune (4) | 9 Hill crest (4) | 10 Jovial (7) | 11 Resist (5) | 12 Ooze (4) | 13 Wide boat (3) |

SOLUTION To No 603
ACROSS: 1 Aspen 2 Solomon 3 Over 4 Envelope 5 Basting 6 Rude 7 Maintenance 8 Disperse 9 Torpedo 10 Broil 11 Stables 12 Easy
DOWN: 1 Amoeba 2 Plebs 3 Nutrient 4 Siege 5 Perilous 6 Levy 7 Mollusc 8 Nipper 9 Palpable 10 Aquaria 11 Gratis 12 Deploy 13 Roots 20 Hell



THE TIMES DIARY

Gentleman of letters

A close relative of the Queen tells me a marvellous story about one of the monarch's relations, who left a prestigious City job some years ago to become a recluse on the west coast of Scotland. The man has taken his hermit existence to heart and refuses to answer a single letter. As a result a room in his home has a huge pile of unopened correspondence in the centre. The Queen, faintly irked that her letters are never answered, but highly tickled by her eccentric relation, was sailing down the west coast in Britannia when she suddenly ordered her captain to drop anchor. Someone was duly dispatched to fetch the recluse who, according to my source, was found washing his socks on the rocks. Sadly, my informant will not be drawn on the man's identity.

Tall story

I asked the boys at Tonbridge for "nicknames on a postcard, please", and I got them. Their headmaster, Christopher Everett, whom I am tipping to succeed John Rae at Westminster, seems to have two: Ben Nevis (he's 6ft 4in, reddish), and Spyro. The latter, explains one swot, is short for "spyrograph". The intertwining pond plant, Tall and very restless, he has the habit of contorting his arms and legs into over-changing positions. A character and true gent, by the way." Crawler.

Body politic

The Russians announced yesterday, amid great panic, the first case of Aids. Officially homosexuality is frowned on as unproletarian, and is punished by law if publicly flaunted. Just hours after Moscow's Virology Institute declared its first case the city's gays were talking of nothing else at their gatherings, by the Karl Marx statue near the Bolshoi Theatre.

● Violet Kray, the late mother of the notorious East End twins, would have been delighted to hear that Madame Tassaud's has removed their effigies from the Chamber of Horrors to allow more room during the Easter rush. She complained long and hard that they looked nothing like Ronnie and Reggie.

Gone east

Don't raise your hopes, but it seems that Arthur Scargill arrived in Moscow on Sunday night on a one-way ticket. He flew out on a British Airways club-class ticket issued by Aeroflot, but BA has no record of a return booking. "You're kidding," exclaimed his spokeswoman, Nell Myers, yesterday. "He's got a full list of engagements here on Wednesday. We want him back."

BARRY FANTONI



"Couldn't they just meet in the Queen's new train when she's not using it?"

Trust fund

David Barnett could yet strike a blow against capitalism, before retiring as leader of the boiler-makers' union next year. As head of Unity Trust, the trade-union investment bank, he will preside this autumn over the introduction of a personal banking service designed to tempt Britain's 10 million trade unionists away from mainstream banks and building societies. Withdrawal of their funds would have no little impact on these financial institutions. Add those funds to the potential £630 million of fixed and liquid assets of the trade union movement, and Unity Trust suddenly becomes a force to be reckoned with.

● The latest edition of *Dod's Parliamentary Companion* lists the special interests of Tory MP Mark Cartlisle as "affairs, education".

Commons touch

Astonishingly, the latest Commons House Magazine denies my report that it "suppressed" an article that "had been submitted" by the CND general secretary, Bruce Kent. The piece was not used, it claims, because it was for a slot "not designed for controversial political issues". Actually Kent had been invited to write it by the assistant editor, John Healey, a full editorial meeting vetoed it, and I have a letter from Healey to Kent to prove this. My suggestion that the editorial board is Tory-controlled is dismissed as "ridiculous". The board consists, for the record, of 11 Tory MPs and peers, eight Labour and one Liberal, plus six "distinguished officers of the Palace of Westminster". One of the six, I see, is a brigadier and another a major.

PHS

A nation learning to change

by David Young

We are now in the midst of our own cultural revolution. Anyone who goes regularly into schools and colleges will have recognized the remarkable changes now taking place. It is not so much the new programmes and courses, but the very attitude to change itself.

It was not always so. It is now well over 100 years since a Royal Commission warned us of the dangers of ignoring the vocational and technical in our schools. We would, they said, run the risk of losing our dominant position in the industrial world. We did.

As little as three years ago few secondary school pupils followed any form of vocational curriculum; yet in only two more years about one in 10 of all pupils at school between 14 to 18 will be pursuing technical or vocational studies. For those who chose to leave school at 16 the world has changed even faster. At the beginning of this decade only 30 per cent of young people leaving to start work got any kind of proper training; by the end of the decade the proportion should be nearer to 80 to 90 per cent. In the universities and polytechnics the same process continues. In this decade alone, the number of students taking first degrees in science and technology will have increased by over 40 per cent.

We have seen an historic and, I believe, an irreversible shift. At long last our education system has begun to recognize the needs of industry and commerce; that we need to inculcate enthusiasm and enterprise and to prepare young people for a life that

includes work, even self-employment, that we must prosper as a trading nation. Our most lasting resource is the skill, energy and sheer enterprise of our people.

But all this did not happen by chance. The process has been gathering pace throughout this decade and the Chancellor's Budget last week, in signalling three important changes, marked a further stage forward. Together they represent a major package of reform.

First we are going to expand the Youth Training Scheme so that it can be a two-year scheme available to all who leave school at 16. It will, I hope, lead to recognized vocational qualifications. Then we can truly say that unemployment need no longer be an option for anyone under 18.

That is a claim that few, if any, nations can make, but that is not its purpose. The aim is to create a kind of national apprenticeship based on qualifications rather than time-serving which will go well beyond the limited range of occupations covered by traditional apprenticeships.

Next, the Chancellor has found extra funds (amounting to £20 million) to increase in-service training for teachers. And finally we are giving an additional £43 million over the next three years to provide extra places in higher education for the science and technology students whom industry so badly needs. The output of engineers and technologists is already planned to increase

by 2,000 or 12 per cent from now to the end of this decade. The new programme will add a further 4,000 places to engineering and computer science courses.

But if we are to meet the challenge of our competitors, more urgent and vigorous action is needed. Our policies, and particularly those which Keith Joseph and Tom King are pioneering, are essential ingredients. But we cannot do it alone. We need the active support of employers, both to meet their own immediate training needs and to take an interest in what is going on in schools and colleges. We must look to employers to exert an even greater influence in the future.

We will further develop the links between technology and training. I sometimes think that we have more young people today who understand computer Basic than French. It was the Micros in School programme that gave them their start - we must build on it.

We have over 170 Information Technology Centres (ITECs) in the Youth Training Scheme alone. We have an Open Tech programme which will shortly be providing training for some 50,000 people a year, both at home and at work. We have the PICKUP programme in the colleges offering a selection of courses tailored to individual employers' needs. We have the MSC's Adult Training Strategy. The next century will not be like the last.

Lord Young of Graffham is a Minister Without Portfolio.

Trevor Fishlock on the American gamble taken by Canada's leader

Mulroney takes a leaf from Reagan's book

Ottawa Some thought it a rather vulgar spectacle. Certainly it was terribly corny. But many Canadians were pleased to see their prime minister and President Reagan hugging it up together and joining in a sentimental Irish song at a televised concert during their recent summit meeting. There was more than a stage embrace, however. Here were a couple of old chums who sing much the same political tune.

Brian Mulroney's offstage summit performance in Quebec City, much more than his landslide victory over the Liberals in September, defined the nature of the political debate in Canada for many years to come.

Two things are clear. First, the Conservatives are going to be in power for a long time. The Liberals are wrecked and there must be doubts about their survival as a political force. Secondly, the Tories and their businessman-leader are staking almost everything on building a stronger free-enterprise system, reducing government involvement in the economy and grabbing a ride on the American economic rocket as the royal road out of Canada's troubles. Some Canadians see this as an historic gamble.

Mulroney is the most pro-American prime minister Canada has ever had. Reagan always liked the cut of his jib. When the Trudeau government said it regretted the American invasion of Grenada, Mulroney said it was "high time Canada confirms who its friends are", making no secret of his suspicion of Russian motives. As soon as he was elected he dashed to Washington to "super relations with the United States will be the cornerstone of our foreign policy".

Out of the summit came agreements on trade, the removal of commerce and investment barriers that had linked American businessmen and a closer partnership on defence. Mulroney is strengthening Canada's Nato contribution and agreeing to a new radar warning line in the far north.

After the summit one Canadian newspaper ran a cartoon showing Mulroney being carried in the talons of the American eagle, like Simbad by the roc. Some Canadians feel that in embracing Reagan, Mulroney has surrendered a certain independence in foreign policy. Others feel that in

difference can be maintained and that Canada can continue to play a "middle power" role.

Mulroney, of course, believes he has simply accepted the realities of Canada's economic relationship with the US. This is a country with a lopsided economy and a small population, integrated in many ways with a superpower 10 times larger. Canada seeks to improve trade with Europe and the Pacific rim countries but it is tied closely to the United States, with which it already conducts 76 per cent of its business.

The Canadian economy is in an unhappy condition. Unemployment, now runs at 11 per cent and the deficit is relatively much larger than the American one. Productivity is poor and the country is scarred by the 1981-82 recession, the worst since the 1930s.

The Tories are telling Canadians that more and closer ties with America will help pull them round with swift benefits in jobs and growth. Mulroney believes that the right treatment for Canada's poor economic performance is the modern American approach. He thinks Canada has suffered from years of economic intervention by the Liberal government, the hamstringing of small businesses and investment and the eroding of Canadian dynamism.

But Canadians are not Americans: they like their social welfare programmes and Mulroney would have a hard time trying to cut them, even if he clearly wanted to. In addition the deficit is like granite. If the Americans, with their monstrous

deficits, were to slide into a recession, Canada would tumble with them; a troubled US would reduce its Canadian imports.

Mulroney can ride the waves for a long time, however. Politically he is very secure. The extent of his victory has left the opposition in parliament almost embarrassingly small. The Tories hold on the middle and right leaves the Liberals very little.

The shattered and purposeless Liberals have the fundamental difficulty of deciding on their identity. John Turner, their leader, is trying to reconstruct a party that is not only strongly associated with the recession, but had come to the end of an historic role as the unifier of French and English Canada and the creator of the welfare state.

In this task Turner is trying to seed depressingly stony ground. It is reasonable to wonder if he has the necessary long-term patience and political heart to stay at the top and, considering that he is a wealthy Toronto businessman with a conservative turn of mind, whether he offers anything really different from Mulroney. The vaguely socialist New Democrats may benefit from the Liberal disarray, but they too need to define themselves more clearly.

The Conservatives are still pinching themselves to believe in their power after the long Liberal ascendancy. Mulroney has much going for him. The federal-provincial relationship is much improved and Quebec separatism seems a closed chapter. The prime minister

has the advantages of being a bilingual Quebecer, Reaganish affability and an instinct for the theatrical aspect of modern leadership.

Mulroney is Canada's most conservative prime minister for half a century, but he is not a hard-right Thatcher or Reagan. His style is conciliatory. As a business chief he prided himself on his ability to negotiate through industrial trouble. When the former defence minister made rude comments about Canada's peace movement recently, Mulroney rebuked him and said: "I have the highest regard for those in the movement. Their work is honourable, their motives beyond reproach and I wish we could do more to accommodate them."

As part of his drive for consensus he will be sending study groups around the country to meet the public and involve them in discussions on defence and foreign policy. Although Canada supports research on Reagan's "Star Wars" ideas, there are reservations. Senior officials in Ottawa feel that Sir Geoffrey Howe raised pertinent questions in his recent speech.

With the summit and the demonstration of faith in the American economy, the new government feels that Canada has become more outward looking. Yet some Canadians are looking for the evidence of more substance. Mulroney's coming to power clearly opened a new era and raised expectations. "Now we are waiting," as one Canadian put it "for the other shoe to drop."

Shock of the new for a lost tribe

Yaacov was only 14 when he walked with his younger sister and older brother for 20 days from Ethiopia into the Sudan. During the long walk others died of starvation and disease. Yaacov and the other Ethiopian Jews who got through spent weeks in a refugee camp and then were airlifted to Israel.

That was four years ago, for Yaacov was one of the early arrivals in the great migration from drought-stricken Ethiopia that culminated three months ago in the big airlift known as Operation Moses. He had left most of his relatives behind him, but his parents managed to get on to the last flight of Operation Moses.

When they stepped off the plane, they kissed the ground. They had reached the Holy Land. Yaacov says: "It was a greeting because they were very happy. They didn't believe they'd reach Israel. They'd suffered very much and many had died. My grandmother is dead, my uncle is dead, and two of my brothers are still in Ethiopia."

The recognition of Ethiopian Jews by the Israeli government, giving them the right to come to Israel, came a decade ago, but it is only recently that starving adults and children have arrived in waves. A final CIA-organized airlift of 700, revealed on Sunday, has brought the total to well over 13,000. The size of this body of immigrants whose way of life belongs to another age has created problems for the Israelis, practised though they are in coping with incomers.

At Netanya, less than a hour's drive north from Tel Aviv, a four-star hotel called The Princess has been taken over to house some of the Ethiopians in what is called an absorption centre - one of nearly 50 where the Ethiopians are spending their first 12 months.

Its director, Lea von Weisel, says: "For them it is a terrible shock coming to a country which must seem like the moon. They've never seen electricity or running water. They don't know how to use the toilet... They used to live in villages in open spaces where there are very few dangers for the children. Here there are stairs, elevators, cars in the streets, crowded roads."

The 10-storey hotel houses 360 Ethiopians. Fifty volunteers come into help the professional staff and show the Ethiopians how to cope in a society of washing-machines and supermarkets.

Lea von Weisel says: "They are very concerned about the cleanliness of the food in the Jewish way. When we cook chicken, for example, we cook it with the skin on. The Ethiopian woman has to cook it without. If she doesn't prepare the food, she doesn't know what's in it. There are still some women who don't eat anything except bread and milk because they can't overcome the fear that what they don't cook is not kosher."

The Ethiopian Jews believe themselves to be descended from one of the 10 "lost tribes". They were cut off from the rest of Judaism

for over 2,000 years and until the last century believed all Jews were black.

Their beliefs are so fundamental that even patients in hospital refuse to eat hot food on the Sabbath because it had meant lighting a fire and no work should be done on the day of rest.

Other aspects of their beliefs have caused concern among some Jews. Instead of rabbis the Ethiopians have priests, cohenim; they still believe in animal sacrifice. And there are certain religious events which they either celebrate differently or not at all.

All this has led to a call from Israel's orthodox Jews for the Ethiopians to take part in a ritual conversion ceremony. The Ethiopians are resisting, saying this would be demeaning. Indeed, some Ethiopians complain of a lack of religious conviction in Israel. For example, Yaacov says: "I felt Jews in Israel would be more religious than abroad but when I see the situation between the religious and non-religious people, it affects me and I don't understand."

However, the ordinary people are accepting the Ethiopians more and more, talking of "their dignity, gentleness, willingness to learn and beauty". The word Falasha, meaning stranger or infiltrator, is dying out. Some hostility does exist because of colour and some Israelis complain that the Ethiopians have come to take their jobs or say they do not want them living next-door.

Uri Gordon, director of Youth Aliyah, the organization set up 50 years ago to help children immigrating from Europe, says: "We can't run from this problem of their colour but it is less of a problem than we had thought. In the beginning Youth Aliyah was set up to save the children of the Holocaust. Today we need to save the Ethiopian Jews."

At nearly 30 Youth Aliyah centres, young Ethiopians are being given the chance to study and to mix with other immigrants. At one such centre, Yemin Orde, high on the slopes of Mount Carmel, 100 Ethiopian children make up nearly a quarter of the enrolment, in what is best described as a boarding school.

Its director, Chiam Peri, says: "They come from a religious frame of reference. Their identity revolves around their religion. It is a familiar thing which provides continuity. Try and teach them moral judgement outside this context and if they asked, 'Why do we do this?' I'd have to say, 'Because I say so', not because God says so."

He has achieved what he calls "minor adjustments" in the attitudes of the Ethiopian youngsters. For example, near the time when the Ethiopians were to have sacrificed a lamb according to their custom, he bought a lamb and let it graze on the lawn until the children began to think of it as a pet. When it was due to be sacrificed he held a vote - and the lamb won.

Sara Parker

Digby Anderson

Care: calling at all stations

You do not have to envisage heaven as a global St Pancras Station with piped Puccini (Messa di Gloria) and peopled by bleeding martyrs and baroque cherubs in order to find distasteful the idea that it is populated largely by divorced dentists, motoring correspondents, probation officers and journalists who write about Majora. If you are worried, as you should be, that these latter people indeed make up the new elect, then there is a glimmer of hope from Joan Bakewell.

The forces of the moral right are on the move, she said on *Newnight* earlier this month. "For them the Gillick ruling is only the start," Ronald Butt, on this page, justifiably has objected to the silly and offensive term "moral right". However, I do hope there is no doubt about the rest of the sentence and that whatever it is or they are, they are indeed "on the move".

There is work to be done. The agenda is nothing less than the reassessment of the "progressive revolution" of the last two decades. The revolution was accomplished primarily through government: governments not only allowed acts such as abortion and homosexuality, they subsidized and encouraged them, supplying abortion free on the NHS and encouraging homosexual proselytization with grants. Elements of the benefit and tax systems penalize marriage and subsidize cohabitation while the state's endorsement of the powers of various "professional" groups, doctors (contraceptive prescriptions to the young without parental knowledge), social workers (care orders) and teachers (unaccountable sex and personal relations education) may undermine the family's ability to fulfill its responsibilities.

All these and more developments require reassessment not least because many appear to have been effected by unrepresentative lobbies looking "research" which grows more like a coynard with each passing year. But not all the developments were carried out through the state. The churches, especially the Church of England, can scarcely claim they stemmed the progressive tide. If there is now a moral reassessment movement, church bureaucracies such as the C of E's Board of Social Responsibility have hindered rather than helped it.

Nor should reassessment be restricted to the sexual side of morality. Two items are crying out for a place on the agenda. The first was highlighted by a recent report by the National Marriage Guidance Council: to be fair to the NMGC, by the press treatment of the report as "being a dentist, a probation officer or a vicar can be hazardous for marriages (sic)" because caring about other people's problems leads to a certain amount of neglect of one's partner.

At first sight we have here a way of finding out who cares - look for divorcees. Let us set aside the implications of this alarming indication for the church's marriage discipline and be serious. My very much undivorced dentist has certainly cared for me but I, and I expect he, would question the assumption behind the quotation, an assumption central to modern thinking on altruism that caring can

be ranked by occupation. Ascription of the capacity and obligation to care by occupation is even worse when it is done by an occupation itself as when social workers, health visitors and others refer to themselves as "the caring professions".

Certainly in traditional Christian thought care for others is an obligation on all, whatever the station to which it has pleased God to call them. The notion that specific occupational groups care more is one of the less attractive products of the "professionalization" of welfare, the corresponding notion that there are occupations which, by definition, render their members uncaring - occupations such as entrepreneur, employer, businessman - is not Christian but socialist. The moral reassessment movement could perform a very positive role if it reassessed and emphasized the moral responsibilities of "Everyman". It could gauge its success by the amount of vilification it received from unions "representing" the "caring professions".

So much for the "dentists" and "probation officers". What about the motoring correspondent? This item for the agenda has been well demonstrated by many of the church's public comments in the last year, the equation of virtue with indiscriminate niceness. It's difficult to be more precise than this: the imprecision is what characterizes so many of the comments - "reconciliation", "consensus", "bridges", that sort of talk. It's clearer what it is against - firm and clear judgments or guidelines, any one party being wrong, punishment.

This niceness is epitomized by a certain sort of travel or motoring correspondent - not those on this page, of course - who always seems to find something nice to say about each new car and indiscriminately paints an attractive picture of each and every country. Of course there are exceptions and quibbles are aired, but the general tone is approving. How many letters to the editor are published complaining about the "scurrilous attack on Corfu" or "the misinformation and biased attempt to discredit the Dordogne"?

But are there not characteristics of Corfu and the Dordogne that need attacking, preferably scurrilously? Is the indiscriminate approval nice or does it very occasionally spring from the relativist tendency so prominent in modern education which is reluctant to judge?

Just occasionally we might have a fervent denunciation of the caravans who block up Continental roads so they can take their tea bags to La Grande Motte in cultural insulation. Indiscriminate niceness is not always helpful, dare we say it, nor really caring or fair to the better countries, cars and their purchasers and visitors. And the relativism that is disastrous for taste is even more pernicious in morality.

Perhaps the St Pancras heaven was not that bad. There is something very precise, unequivocal yet quite unprofessional about a bleeding martyr. "On the move?" I do hope Miss Bakewell was right.

The author is director of the Social Affairs Unit.

moreover... Miles Kington

Captain Plato on the bishop's trail

Police are no nearer solving the baffling kidnapping of the controversial Bishop of Tyne-and-Wear, who has now been missing for 10 days. The kidnappers have asked no ransom money for the bishop; they have simply demanded proof of his existence.

"What we've got here is a doctrinal struggle which has been allowed to escalate into violence," says Inspector Hadrian, the man in charge of the case. "The bishop, Kevin Wilberforce, is one of your modern Christians who aren't too sure about anything. The kidnappers to prove their point, have asked us to supply foolproof evidence that the doubting bishop really exists."

And what is their point? "God knows," says the inspector. "If there is a God, of course. I think what they may be trying to say is: if you can't prove the existence of a well-known living bishop, how do you expect anyone to prove the existence of Jesus? Actually, I rather go along with their reasoning. If I've got their reasoning right, the case is one of the problems of the case is that with the passing of each day, people's memories of the bishop grow a little hazier. His family, whom one would expect to be the first to fight for his return, have not proved as helpful as they might; even Mrs Wilberforce seems somewhat vague about his existence."

"He was always away a lot anyway, of course, doing programmes on the BBC or visiting Nicaragua, so we never saw much of him, and now that he's been kidnapped nothing has really changed. He was a tall man, with sideburns - no, that's the dean I'm thinking of. The bishop is a medium-sized man with a face more like a bookie's than a bishop's. I always thought, Anyway, it'll be on the BBC films he was always making."

Unfortunately, it's not. The cost-conscious BBC have wiped everything they had on the bishop, and it seems the only footage the police now have is of his appearances on the satirical puppet programme, *Spitting Image*. But as Inspector Hadrian explains, it's not so easy for the police to work from a puppet. "I don't know if you've ever tried going from house to house with a huge rubber puppet, and asking people if they've seen this man

recently, but it doesn't make for public cooperation. Though it's a very good puppet, actually. We did at one point toy with the idea of announcing that the bishop had been found and then using the puppet to preach his next Sunday's service so as to confuse the kidnappers, but apparently there is some ancient church regulation against sermons being preached by graven images, and we would all be struck dead or something. So it's back to logic."

To help with the logical proving of the bishop's existence, Hadrian has called in the help of Britain's crack negotiating troops, the SAS, or *Sophisticated and Argued Squad*. These are the boys who are sent in when the Common Market is on the verge of breaking down or when Robin Day needs a refresher course. They are believed to be the only people in the world capable of making Arthur Scargill or Mrs Thatcher answer a question directly, but unfortunately they have never been given the chance. With the bishop's kidnapping they are on to an easy one, or so believes their head negotiator, Captain "Plato" Wilkinson.

"We've sent off a video to the kidnappers," he told me. "On this half-hour video - which incidentally contains advertising and thus has cost the taxpayer absolutely nothing - we have provided a complete documentary of the bishop's life. We've called the video *The Bishop Really and Truly Exists*."

But Wilkinson's confidence sagged dramatically in the next five minutes when an answering video was brought into the kidnappers' command centre. It simply showed the bishop himself looking rather well and saying to the camera, "Oh, no I don't" - then laughing and winking at someone off the screen.

"Bad news, lads - the bishop's gone over to the opposition," growled Wilkinson. "This is going to make it really tough. But we're not through yet. Send the bishop a video of Princess Anne on the Terry Wogan show and tell him Wogan wants him next. They should get him out. At least they won't ask us to prove that Terry Wogan exists. It's the one self-evident fact in the whole universe."

Watch this space for further developments.

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PAY LEADERSHIP

There is something offensive to the common sense of fairness that a number of leaders of the biggest British companies should be seen to be awarding themselves huge pay rises at a moment when their employees are being constantly harangued to forgo improvements in their standard of living in order to keep industry competitive and to help price the unemployed back into jobs. Budget day provided an extreme example of this contrast. In the House of Commons, the Chancellor of the Exchequer made an eloquent and long overdue case for the abolition of Wages Councils, which currently set minimum wages for many of the lowest paid, in order to encourage the creation of new jobs. A few yards down the road in Millbank, Imperial Chemical Industries chose that same day to publish its annual report, which revealed that the total pay of its chairman, Mr John Harvey-Jones, had been increased from £171,000 to £287,000, a rise of two thirds, or some £2,200 per week. ICI's other executive directors shared the reward. But have they in doing so, given a poor example of leadership?

High pay for the few and restraint for the many can indeed be justified in terms of market forces. There may be no shortage of people anxious to be company directors, but many big established companies have now realised that if they are to attract the best people to the top, they must offer pay packages which, after tax, match the sort of rewards exceptional individuals might earn running their own, smaller ventures. This new pattern was set in the private sector when BOC, the gases group, tempted Mr Richard Giordano to cross the Atlantic at the going rate, and in the public sector, when Mr Ian MacGregor was deemed the only man capable of transforming British Steel.

If, as such examples suggest, there is a shortage of exceptional managers in Britain, then much higher pay might well attract more of the ablest people into big business, reversing the disdain long shown to industry. Some professional managers are unhappy about introducing what amounts to a star system of managers who can write their own contracts of employment and who seem too often to treasure the image of aristocratic popstars or bingo millionaires.

HUNT THE HERESY

The custom of British education is to entrust head teachers with great power. Perhaps too much: only recently have efforts been made to train heads for their management tasks. Their performance, like that of teachers, often escapes lay scrutiny. The method of their selection can be a lottery, in spite of the power of heads to shape the destinies of generations of pupils. The efficiency of a head teacher is only revealed over time — the time it takes a school to build a reputation, the time for its examination results, its prowess on the sports field to register and so to attract parents, pupil numbers and the attention of town and county halls.

Let us assume that the head teacher of the Drummond Middle School in Bradford is inefficient. There would have been ready signs long ago. Inspectors would be poking around; the annual pupil intake would be slipping as parents opted for other, better establishments; there would be staff room dissension. The fact is, until last autumn, these revealing signs were absent: Drummond Middle School and its traditional disciplined approach was well-subscribed.

This week the school's head, Mr Honeyford, stands under the shadow of dismissal, his professional reputation impugned, having been made the subject of a brutal and unfair public trial. Yet the bill against Mr Honeyford, as set out at a Bradford city council committee on Friday, has little to do with the running of Drummond Middle School and nothing to do with the man's efficiency. It concerns an altogether different offence. Mr Honeyford wrote articles betraying independence of thought on the subject of the education of ethnic minorities, especially the people of Asian background. The articles were tendentious. They were published in a partisan review. Mr Honeyford committed a thought-crime.

On specifics Mr Honeyford may be wrong. He contends that the practice among Pakistani families of extended visits to Asia is disruptive for the schools, that general academic standards

are jeopardised if scarce teaching time is pre-empted by teaching English as a second language. He may be mistaken, but as the head of a school where 86 per cent of the pupils are from Asian backgrounds he is extraordinarily well-qualified to comment. What is certain is that there ought to be debates in which the voices of all parties should be heard.

The education of Muslim women poses an acute clash of values; there is the vexed issue of how far the core curriculum should be bent to accommodate minority interests; there is danger that any attempt to place the needs of ethnic groups above those of the indigenous population might provoke resentments (a point made recently by the National Association of Schoolmasters/Union of Women Teachers). To suggest that contributing to this debate unfits Mr Honeyford to be a head teacher, not least the head of a school with a large Asian catchment, is monstrous.

School politics are rarely simple, nor should they be. In Bradford political control of the city council is unstable. The city's Asians are flexing their muscle as an ethnic bloc. Labour is divided and attempting to unite around the shibboleth of "anti-racism" and positive discrimination as a cynical bid to win Asian votes. Political malcontents have raised a hue and cry against Mr Honeyford and to the great shame of the city's educational professionals, they have been allowed to pursue him to the point of dismissal proceedings. But this is no parochial example of intolerance and municipal injustice — the fate of the chief education officer of the borough of Newham suggests a more general pattern. In Inner London "anti-racism" is a harsh new orthodoxy. In *The Times Educational Supplement* last month a school governor wrote of the "almost medieval refusal" of teachers and head teachers to exercise their own capacity for thought, for heresy. Mr Honeyford is a heretic and his fate deserves the widest possible attention.

Why Hackney may be ill-advised

From the Secretary of State for the Environment

Sir, Councillor Mrs Hilda Kean's letter about Hackney (March 23) would be a good deal more convincing if her own treasurer had not this week put forward budget proposals reported as identifying some growth and some savings and a single-figure rate rise well within the limit agreed by Parliament. Moreover, the High Court, on the application of a Hackney ratepayer, has ordered the council to set a lawful rate and has forbidden revenue borrowing after April 1 until it is set. This means that if no rate is set by then, the cash to pay wages will run out.

Surely common sense will tell Ms Kean and her colleagues that nothing is to be gained from martyrdom in such a cause — least of all for the people of Hackney? Yours etc,

PATRICK JENKIN,
Department of the Environment,
2 Marsham Street, SW1.
March 23.

Teachers' pay boost

From the General Secretary of the National Union of Teachers

Sir, I would like to correct an error in your account (March 23) of my comments on the Dimbleby lecture by Lady Warnock.

I did not "reject her proposal that headteachers and those at the top of the profession should be paid more". I made no mention of headteachers at all in my comments. What I said was that Lady Warnock "is utterly wrong to say that there should not be an improvement in the level of pay of the whole profession. To favour plums for the privileged few, as she does, shows that she has failed totally to understand the mood of the profession".

A new salary structure proposed by the union and accepted by the teachers' panel would give the entire profession a pay boost but would also headteachers and reward significantly all teachers taking on additional responsibility. That is the policy of the NUT.

Yours faithfully,
FRED JARVIS, General Secretary,
National Union of Teachers,
Hamilton House,
Mableton Place, WC1.
March 25.

Press and Primate

From the Right Reverend Dr Kenneth Sansbury

Sir, The article by your Religious Affairs Correspondent (March 18) reminds me that Dr Runcie is not the first Archbishop of Canterbury to be attacked by the right-wing press and the groundlings of the Tory Party. Dr Geoffrey Fisher used to account with great pleasure two headlines which appeared in *The Sunday Express* in the 1950s.

The first was "The Archbishop must go"; the second, a few weeks later, "The Archbishop has gone too far". Thank God for archbishops and other Church leaders who are prepared to speak out on the moral issues involved in political, economic and social decisions confronting the nation.

KENNETH SANSBURY,
67c The Close,
Norwich,
Norfolk,
March 18.

Fees for foreigners

From Mr Gerald Orme

Sir, I have just returned to this country after an eight-day drive to Italy in a 38-ton articulated lorry. I completed some 2,000 miles, mostly on French and Italian motorways and including a return journey through the impressive Fréjus tunnel.

The total cost for the use of the tunnel and the motorways came to approximately £200, a not inconsiderable fee when one considers that French and Italian vehicles are enjoying the freedom of our road network at no cost whatsoever.

At £92 return for the Fréjus tunnel and £100 for the Mont Blanc, we should be charging at least £20 for a two-way journey through the Darford tunnel.

I believe that there is an excellent case for "selling" our motorways to those foreign motorists who charge us. For example, French and Italian motorists would have to buy a windscreen disc at the Channel ports if they wanted to use our motorways and there would be a relatively higher (and compulsory) motorway charge for foreign heavy goods vehicles.

Assuming that our Treasury is honest in the distribution of this money, it would make a most valuable contribution to the cost of our roadbuilding.

Yours faithfully,
GERALD ORME,
17 High Street,
Fackington,
Leicestershire,
March 13.

Record on rail heritage

From Mr G. Myers

Sir, As a throw-away comment at the end of an article (March 21) on preserving the nation's architectural heritage, John Young's "British Rail could do a great deal more than it has" takes little account of the recent efforts made by BR to preserve and generate interest in the preservation of historically significant buildings and property.

Running a 24 hours-a-day railway with major financial constraints, and owning over 600 listed buildings and 40 ancient monuments, is not an ideal base from which to operate, but we can claim notable successes.

Life or death struggle in hospital

From Dr Norman Jones and Dr Philip Hilton

Sir, A young man living in Kent recently developed acute kidney failure as a consequence of a bloodstream infection. In the local hospital his condition deteriorated until death became certain unless he received treatment with an artificial kidney.

The nearest two teaching hospitals with specialised renal units were unable to accept him due to the great pressure on their beds and he was eventually transferred to this hospital. He was critically ill but after appropriate treatment for several weeks his kidneys recovered completely and he is now recuperating at home.

At many times our own unit also would not have been able to accept him and his admission on this occasion was possible only because of the high priority given to emergencies.

As the number of beds in this hospital is steadily reduced under present DHSS and regional policy "cold" (i.e. non-urgent) admissions have been cancelled at the last moment as the beds were occupied by emergencies. The waiting lists thus grow ever longer and include many patients with known or suspected cancer.

This deplorable situation is caused by policies that have evolved under both Labour and Conservative administrations. Two notions have been influential: firstly, that the inhabitants and commuters of London are unfairly advantaged in

the provision of health resources; secondly, that the funding of the NHS maintains the nation's health at a level broadly comparable with similar countries.

Both notions are highly questionable. Following the report of the Resource Allocation Working Party, health resources are being deployed away from London, despite wide recognition that this report depended on unreliable methods.

Concerning the allocation of national resources available for health care, we in renal medicine see little but hypocrisy and shame in the performance of successive governments.

The recovery of our patient, along with many others, was made possible only by "high technology" modern medicine. It is fashionable in current debate about the NHS to attack such medical practice for its expense. These attacks are often accompanied by slurs such as "high-profile glamour medicine" (*The Sunday Times*, March 17), and assertions that health ministers have been infuriated by doctors who use the media to fight for funds.

It is surprising that health ministers and administrators are discomforted by the disclosure that health care in the UK is falling steadily behind levels taken for granted in many other countries? Next year, if present policies prevail, a similar patient may well not receive the treatment needed to save his life.

Yours faithfully,
NORMAN JONES,
PHILIP HILTON,
Renal Unit,
St Thomas' Hospital, SE1.

cols have been used in mice experiments, leading to great achievement.

Second, is this type of experiment on early embryos the most appropriate way of learning about the causes, the mechanisms and, possibly, the prevention and/or the cure of genetic disabilities like haemophilia, muscular dystrophies or Down's syndrome (to take examples quoted in the Warnock report)?

The answer is again no. Maturation of the blood, of the muscles or of the brain cannot be observed in human embryos less than 14 days old. Hence troubles affecting these tissues must be studied in subjects having already developed the relevant organs.

Apparently I failed entirely to convince the vast majority of my eight distinguished colleagues and I apologise for that. I am so much the more thankful to the six speakers in the parliamentary debate.

Sincerely yours,
JEROME LEJEUNE,
Université René Descartes,
Institut de Génétique,
45 rue des Saints-Pères,
75270 Paris, France.

British Library dispute

From Professor Conrad Russell

Sir, It would be improper to comment in detail on the British Library industrial dispute, in which I do not know the issues. It is, on the other hand, necessary to put on record the importance of late opening in the Reading Room to British standards of scholarship.

Those of us who teach in universities or elsewhere often find that we are in a position to begin our day's research around five o'clock, when the day's teaching is over. Others, who have to commute to their research from such places as York, Sheffield or Exeter, will find considerable difficulty in completing an adequate day's work in London before 4.40.

In addressing a Government which has acquired an unenviable phillistine reputation it is hard to feel confidence that arguments based on scholarly standards will carry any conviction. The Chancellor might be more interested in arguments based on the exchange rate.

The standards of scholarship achieved in this country over the past twenty years have attracted a considerable amount of foreign currency, in the form of royalties, and even more in the form of money spent by overseas scholars who come here for research and discussion.

Next time the Chancellor grapples with constraints caused by the exchange rate he might ask whether the trifling saving created by the absence of late nights in the British Library might be one of many things properly classified as false economy.

Yours faithfully,
CONRAD RUSSELL,
43 Stretey Road, NW6,
March 21.

Mother's Day muddle

From Mrs David T. Jarvis

Sir, Now that Mothering Sunday 1985 is over, may I make this appeal to card manufacturers and high-street stores such as W.H. Smith, Woolworths, Boots and Marks & Spencer before they begin to plan their productions and publicity for 1986?

The fourth Sunday in Lent is correctly known as Mothering Sunday, and the celebration of this day derives from an ancient custom whereby working children had the day off to visit their mothers in mid-Lent, taking gifts of cakes and flowers. For obvious reasons the day also became known as Refreshment Sunday.

Sometimes children would make delicacies called "carlings" (parched peas fried in butter) and the day became known as Carling Sunday in some areas.

The one name that has never applied to this day is "Mother's Day". "Mother's Day" is a holiday celebrated in the United States on the second Sunday in May. It was instituted in 1907 and ratified by Congress in 1914. It is an essentially American custom.

Yours faithfully,
KATHLEEN JARVIS,
Turham Green Vicarage,
2 Wellesley Road, W4,
March 18.

Record on rail heritage

From Mr G. Myers

Sir, As a throw-away comment at the end of an article (March 21) on preserving the nation's architectural heritage, John Young's "British Rail could do a great deal more than it has" takes little account of the recent efforts made by BR to preserve and generate interest in the preservation of historically significant buildings and property.

Running a 24 hours-a-day railway with major financial constraints, and owning over 600 listed buildings and 40 ancient monuments, is not an ideal base from which to operate, but we can claim notable successes.

Through our property board and our central environment fund we have built partnership deals involving £1 for £1 funding which has cost the railway over £2 million.

At Shrewsbury, for example, our partners included the borough council and English Heritage in a £555,000 scheme to restore the imposing and unusual station buildings. Further north, with Cheshire county and city councils and the Historic Buildings and Ancient Monuments Commission, we are currently working on major restoration works at Chester station. There are many other examples, both large and small, which I could describe.

British Council's growing need

From the Director General of the British Council

Sir, Since I became Director-General of the British Council in May, 1980, I have become increasingly aware that the reduction of Britain's representation and information effort overseas is eating away our future relations with other countries.

I have visited 42 countries in the last five years. In almost all of them I have found a voracious demand for the council's services. But our supply does not meet this demand because our resources are too small.

The council's grant in aid for 1985/86 has been cut by nearly 3 per cent, a cumulative cut in real terms in the Government's grant since 1979/80 of over 20 per cent. I have asked the Government for an increase in our grant in real terms. The request is modest — about £2 million annually, to enable us to plan ahead, lay a sounder base and seize opportunities as they occur.

The sum amounts to £1 in every £65,000 of public expenditure. But the cuts continue.

I understand the need to contain public expenditure. But within the total decided by the Government, some budgets have increased while others have diminished. We all know that Britain's influence in the world has declined with the waning of our economic and political power. But there is a great and increasing demand overseas for our education, language, scientific knowledge and technological skills, our books and contemporary arts.

I know that the Government appreciates the work of the council and have supported us in difficult times. But more resources are needed — not in the council's interest but in Britain's.

Our work, and that of the BBC World Service, are complementary. Their joint impact abroad redounds to Britain's credit; it is also a capital investment for the future. Its erosion has been excessive.

Yours sincerely,
JOHN BURGH, Director General,
The British Council,
10 Spring Gardens, SW1.
March 23.

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ON THIS DAY

MARCH 26 1861

Czar Nicholas I (1796-1855) paved the way for freedom for the serfs with some measure of liberalization, but it was left to his son and successor, Alexander II (1818-1881) to complete the process of emancipation. For some time Alexander had been aware of the feeling in the country and on one occasion remarked that "it is better to abolish serfdom from above than to wait till it begins to be abolished from below".

THE EMANCIPATION OF THE SERFS IN RUSSIA

The Manifesto of the Emperor Alexander emancipating the serfs in his dominions, has been issued. It bears the date of February 19 (March 3), 1861.

We publish in extenso this important document — "MANIFESTO OF HIS MAJESTY THE EMPEROR".

"By the grace of God, we, Alexander II, Emperor and Autocrat of all the Russias, King of Poland, Grand Duke of Finland, etc., to all our faithful subjects make known:—

"Called by Divine Providence and by the sacred right of inheritance to the throne of our ancestors, we took a vow in our innermost heart to respond to the mission which is entrusted to us as to surround with our affection and our imperial solicitude all our faithful subjects of every rank and of every condition from the warrior who nobly bears arms for the defence of the country to the humble artisan devoted to the works of industry....

"We thus came to the conviction that a serious improvement of the condition of the peasants was a sacred inheritance bequeathed to us by our ancestors — a mission which, in the course of events, Divine Providence called upon us to fulfil.

"We have commenced this work by an emancipation of our serfs, a special confidence towards the nobility of Russia, which has given us as many proofs of its devotion to the Throne and of its constant readiness to make sacrifices for the welfare of the country....

"In virtue of the Divine assistance, we have resolved to carry this work into execution.

"The peasants retaining their rights of property on all the land belonging to them, grant in the persons for a fixed regulated rental the full enjoyment of their close (enclosure), and, moreover, to assure their livelihood and to guarantee the fulfilment of their obligations towards the Government, the quantity of arable land is fixed by the said dispositions as well as other rural appliances (fouage).

"But, in the enjoyment of these territorial allotments, the peasants are obliged, in return, to acquit the rentals fixed by the same dispositions to the profit of the proprietors. In this state, which must be a transitory one, the peasants shall be designated as 'temporarily bound' (temporairement obligés).

"At the same time they are granted the right of purchasing their close (enclosure), and, with the consent of the proprietors, they may acquire in full property the arable lands and other appliances which are allotted to them as a permanent holding (jouissance). By the acquisition in full property of the quantity of land fixed by the said dispositions, the peasants are freed from their obligations towards the proprietors for land thus purchased, and they enter definitively into the condition of free peasants — landholders (paysans libres — propriétaires).

"By a special disposition concerning the domesticated (gens de domesticité — domovoye) a transitory state is fixed for them adapted to their occupations and the exigencies of their position. On the expiration of a term of two years, during the period of the transmutation of these dispositions, they shall receive their full enfranchisement and some temporary immunities....

"We also count upon the generous devotion of our faithful nobility, and we are happy to testify to that body the gratitude we have derived from it, as well as from the country, for the disinterested support it has given to the accomplishment of our designs.

"Russia will not forget that the nobility, acting solely upon its respect for the dignity of man and his love for his neighbour, has spontaneously renounced rights given to it by serfdom actually abolished, and laid the foundation of a new future, which is thrown open to the peasants....

"And now, those and faithful people, make upon thy forehead the sacred sign of the cross and join thy prayers to ours to call down the blessings of the Most High upon thy first free labours, the plenitude of thy life, the social wellbeing and of the public prosperity."

"Given at St. Petersburg, the 19th day of February (March 3) of the Year of Grace 1861, and the seventh of our reign."

"ALEXANDER"

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A road to European prosperity

From previous page

fundamental option of Portuguese foreign policy and as a possible way out of an economic impasse growing more serious over the past 20 years.

Everything is, however, still up in the air after last week's failure in Brussels to agree Spain's EEC entry terms. The Ten until now have ruled that Portugal's entry must depend on Spain.

A final attempt to thrash out both country's terms is due to be made in Brussels by the foreign ministers of the Ten immediately before the European summit meeting beginning on Friday.

Even if the outcome is satisfactory Portugal and Spain have to agree their own intricate arrangements for dismantling peninsula trade barriers and resolve a fishing dispute which has troubled relations for more than two years and involved shooting incidents.

But as entry has drawn slowly nearer, the number of informed Portuguese who are worried by its economic impact on their fragile country has grown. Public opinion has tended to regard entry as probably inevitable and it was tempting to hope for solutions to the country's grave problems coming from outside, as has happened before in its long history.

A conference in Lisbon earlier this month at the Gulbenkian Foundation by Portugal's equivalent of Chatham House found economists, agricultural experts and government officials judging that while the costs of entry were certain the advantages for Portugal were a good deal more problematic.

Last year 57 per cent of Portugal's exports went to the EEC and 35 per cent of its imports came from there. But with the United States supplying the great bulk of Portugal's crucial cereals and animal feedstuffs imports on preferential terms, the shakeup looks daunting. Some Portuguese economists argue that the United States, Brazil, and the former African territories are more appropriate long-term trading partners, basing themselves on the pull of Portugal's Atlantic geography and history.

Richard Wigg

Problems down on the farm force up imports



As you travel from north to south Portugal it is difficult to believe that the country needs to import more than half its food. In winter the climate of the coastal lowlands is reasonably mild; in summer it is not scorchingly hot. For most of the way the roads running down to Lisbon through the western littoral lead through a green landscape of vineyards, fields and forests. Even after you have crossed the Tagus into the semi-arid plains of the Alentejo the land is still less barren-looking than the drier parts of Spain. Nevertheless, Portugal was forced to spend more than £1,500 million on agricultural products last year.

Despair of the planners

Less than a tenth of the land is considered to be of farming quality, and much of that is concentrated in a densely-farmed coastal belt between Lisbon and the Spanish frontier to the north. Inland, towards the eastern border, and southwards, the soils become thinner.

The Tagus River, cutting diagonally south-west across the country, divides Portugal neatly into two vividly contrasting agricultural zones.

North of the great river the land is hilly, deeply furrowed and broken by the tapering ends of the mountain systems that spread across the Iberian peninsula. Agriculturally it is an area of small family-owned farms, often no larger than two or three hectares, producing potatoes, cabbages, maize, fruit, poultry, wine and some cattle — all in quite small quantities. The fragmentation of the land has long been the despair of government planners, who have never yet succeeded in getting the smallholders to accept amalgamation into larger units.

South of the Tagus are the dry, dun-coloured plains of the Alentejo, bordered on the south by the hills of the Algarve. Here the properties tend to be big and

the main crops are wheat, olives, barley and oats. Cork is an important product, and substantial flocks of sheep, and herds of the dark, native pigs range through rolling groves of cork oak.

Unlike the north, where the smallholdings are usually tended by the owners, the Alentejo is a zone of paid agricultural workers, and not infrequently of absentee landlords. It is also a stronghold of the Communist Party, and it was here that an ambitious, Communist-led agrarian reform programme was put in motion after the military coup in 1974.

During the heyday of the social revolution which followed the ousting of the former regime, more than a million hectares of land were expropriated from the large estates and placed under the management of collective units. After a series of measures taken by successive governments to reclaim some of the grabbed land, about 370 collective units remain, farming about 600 hectares.

With isolated exceptions, productivity is extremely low in both zones. The average wheat yield is around 1.2 tonnes per hectare, compared to 4.4 tonnes in the UK. The average potato yield is 9.8 tonnes, compared to 25 tonnes in Britain. Only in rice and tomatoes are Portuguese farmers competitive with northern Europeans and Spaniards. Wheat production, which reached 794,000 tonnes in 1971, has dropped to around the 350,000 tonnes.

Most of the country's cereal shortfall is made up by imports from the United States. An estimated 600,000 tonnes of wheat will be bought from the Americans this year, as well as 80 per cent of feedgrain needs.

The system is evidently not working. Cereals imports alone cost the country about £225 million in foreign exchange in 1982, while meat, fruit, vegetable, coffee, sugar, and dairy products cost another £90 million.

Most Portuguese wine is produced in areas just north of Lisbon and in the Douro, Dão, and Minho regions further north. Production is currently around 8 million hectolitres,

but a relatively small proportion is quality wine. Port wine absorbs around 450,000 hectolitres, but much of the remainder is fairly rough table wine for the domestic market.

For many people the only way out of Portugal's problems is membership of the EEC, with its competitive stimulus, widened market, and promise of economic development assistance. But for farmers, accession, even with a 10-year transition period, often seems to be another hazard like drought and economic slump. No one close to Portuguese farming is unaware of the dangers of going in with such a fragile structure.

"We are not ready for it yet," says Senhor José Simões manager of a 3,500 hectare collective near the town of Coruche in the agrarian reform zone. "We can't compete in prices now."

Like most people on the collective, Sr Simões thinks

that the government is pursuing a deliberate policy of destroying the agrarian reform. That may be true, but with 495 working members running the collective, Sr Simões will obviously have cost difficulties whatever the conditions. According to the Ministry of Agriculture, most of the collectives are "unviable".

Mr Patrick Wardle, a British farmer who runs a 500 hectare wheat farm near Campo Maior in the Alentejo, believes that Portuguese farms will be able to compete under EEC terms, but much has to be done first. Credit, for one thing, must be made cheaper.

"We pay 28 per cent on a short-term loan," he says. "And since the interest is paid up front the real cost is actually much higher. Most of us here know what has to be done. We can face everything else, but not these high interest rates."

Peter Collis



Scenes from farming life: Workers and children on the fields (top); grinding wheat the traditional way (left); port is big business (right)

Outlook is stormy for fishermen

Dried salted cod-fish — or *bacalhau* — is virtually Portugal's favourite food. And yet, of the 65,000 tonnes the country consumed in 1984, less than 10,000 tonnes were caught by Portuguese boats. The fresh fish catch of the national fleet — about 215,000 tonnes in 1984 — is not enough to meet domestic demand, and the country is importing 90,000 tonnes a year.

Portugal's fishing fleet totals just over 16,000 vessels. More than 15,000 of them are described in the official registry as *artesanal*, meaning the brightly painted little boats that bob up and down in the Atlantic swells off the coast, perhaps powered by a "putt-putt" outboard motor, but often rowed. Only 111 vessels are of a type suitable for deep-sea fishing. Only a third of the fleet is motorized.

Some of the 35 companies that engage in deep-sea fishing for cod, redfish and mackerel in the Canadian and South African grounds are optimistic about the future, even with the threat of increased competition from EEC membership.

Too many boats are obsolete

However, it is generally recognized that there will have to be a great restructuring of the fleet.

Armindo Rodrigues is director of his family's five-vessel fishing company, Soprol. His large stern trawlers fish in South African and Canadian waters, and they are reasonably new and well-equipped, but he says: "There are far too many obsolete boats in the fleet. We have a lot of side trawlers still."

"But Portuguese companies can be competitive if they are given the right conditions. One of the main problems we face is the short quotas. We used to fish 180,000 tonnes in Canadian waters. Now the cod-fish quota there is down to 8,200 tonnes for 52 boats."

However, it is the fleet of small, wooden-hulled *trainetas* which bring in Portugal's important sardine catch from coastal waters that is most vulnerable to the more technically advanced competition that Spain, for one, will present after Portuguese accession to the EEC. The 25-metre boats are nearly all ageing and badly in need of re-equipment. Their owners rarely have the means to invest in modernization, and for them, the future looks as stormy as the Atlantic weather they fish in.



A veteran fisherman (top) and a Lisbon fish stall

MINISTRY OF INDUSTRY AND ENERGY

1. INDUSTRIAL POLICY

In Portugal, industry still is the most important prop of economic development. Particularly in the 60s and 70s and as a consequence of Portugal's accession to the Stockholm Convention and the agreements signed with the European Economic Community, it was possible to direct large sections of Portuguese industry to foreign trade. Textile, clothing and footwear industries are an example of the export oriented trend stimulated by the prospect of accession of Portugal to the EEC.

Nowadays, industrial activity in Portugal has become more diversified to include some essential sectors (steel industry, chemical engineering) but with a continuing emphasis on traditional sectors (textiles, footwear, ceramics and china, paper pulp and glass) and a new vigour in several new industries (electronics, electromechanical and the car industry, for instance). In spite of the present adverse economic conditions globally which have affected Portugal, Portuguese industry has demonstrated the capability of becoming a sound and expanding sector of activity, which will contribute to the economic progress of the country.

The potential displayed by the Portuguese industry will be implemented by major structural changes which are already taking place. Among the several factors which will shape the Portuguese industry in the future, the most important one is Portugal's accession to the European Community. European integration is a project chosen as the safe route to the development and modernization of Portuguese industry. Naturally, such a project will lead to a new stage of remarkable industrial development. The favourable conditions and potential of Portugal should be used to develop a competitive industrial structure at the same level as industrialized European countries.

Portugal offers the following conditions:

- a strong and diversified industrial base, developed from traditional sectors (fabrics, glassware, tinned food, cement, fertilizers, etc.);
- a social network open to technological progress methods and values of industrial societies, endowed with a real entrepreneurial spirit, limited to a certain extent but able to be extended and renewed;
- a diversified semi-skilled manpower and expert managers;
- a diversified industrial use of or to new applications (forests, agriculture, sea and mineral resources);
- resources of potential interest to the traditional industrial use or to new applications (forests, agriculture, sea and mineral resources);
- traditional ties with important markets such as EFTA and EEC, relations with potential markets such as the Portuguese speaking African countries, which are now being developed;
- an important network of basic infrastructures namely ports, airports, roads and railways and communications in general;
- real advantages, according to international patterns, in many industrial activities.

The strategy of industrial development defined by the Government provides for a market economy based on decentralized decision making mechanisms, typical of private enterprise. This is expected to become an important vehicle for action provided for by major principles of the Portuguese industrial policy, which in general terms are:

- to promote structural changes in industry in order to increase its efficiency and competitiveness;
- to stimulate the revival of companies;
- to create an atmosphere more favourable to investment in industry.

In the light of these principles, the actions to be fostered by the Portuguese Ministry of Industry and Energy will cover four priority sectors, as follows:

- full use of natural resources — by increasing the added-value of products (as will be the case of the pyrites and tungsten);
- to modernize and reorganize the traditional sectors of our industry (for instance, textile and clothing industry);
- expansion of sectors with advantages at a competitive level and in which demand is far from the saturation point;
- to promote new projects and undertakings in the areas where new technological methods have been introduced.

In the context of the policy of modernization of the economy and in connection with the impact of the forthcoming accession of Portugal to the EEC, the new industrial policy will favour the revival of investment in industry.

Foreign investment will certainly play an outstanding role, especially if it is associated with real technological transfer and the opening of new external markets. The potential of the mining sector, the weather conditions, the geographical situation, the manpower available suitable for the tasks and processes of skilled labour, and the natural export oriented trend of trade, are among the main points of attraction for foreign investment in Portugal.

The implementation of the National Technological Plan already underway will undoubtedly add to industrial innovation and modernization, not only in traditional sectors but also in the new ones. Innovation plays a key role in our industrial policy as a factor for the development of industry. It should be mentioned that 1985 had been designated as the Year of Quality.

On the other hand, the revision of the pattern of incentives to industrial investment and the measures introduced aimed at the reorganization and rationalization of the state-owned industrial sector will represent a significant help in creating an atmosphere suitable to structural changes in industry.

The scheme of incentives will be simplified and made more flexible in order to cover well defined actions of industrial restructuring and innovation and of regional development. On the other hand, and with a view to achieve a wider technological autonomy, several agreements on industrial development have been signed or are being implemented among Universities, Research Institutes and Industrial Companies in priority areas such as information technology, materials technologies, biotechnology, metrology and new energy technologies.

Also, as regards inland development, there have been agreements with local and regional development concerning new production based on natural resources.

2. ENERGY POLICY

The major problem facing the Portuguese energy policy is the heavy dependence on imported fuels and in particular on imported oil. Indigenous resources of energy are scarce and although energy consumption per capita is low compared to the average of European countries, the costs of importing energy impose a serious constraint on the overall economic development.

Oil accounted, in the recent past, for nearly 80% of Total Primary Energy Requirements. This high dependence on oil requires a shift from oil to other fuels as a major objective in national energy planning. The most important alternatives to oil already in course are increased use of coal and hydropower not only in electricity generation but also in industry. There is also good scope for the development of technologies for the use of renewable energies, mainly biomass, solar and wind. A reasonable number of projects are being implemented.

Decisions affecting the future energy mix, namely the introduction of natural gas and nuclear power, are dependent of the approval of the National Energy Plan by the Government and the Parliament.

There has been a considerable amount of effort invested in developing a consistent energy policy. The National Energy Plan (NEP) provides an overall conceptual framework for energy policy decisions. The NEP is based on scenarios of economic development and on varying price assumptions. The adopted scenarios feature a growth of the GDP with an annual rate of 3.7% during the present decade and of 5.0% in the longer run. The corresponding energy demand growth is projected with annual rates of 2.5% and 3.0%, respectively.

In order to achieve a structural change in the energy sector the NEP considered alternative strategies aiming at objectives such as to minimize the energy costs, to increase the security of supply and to reduce the external dependence. The adopted strategy includes programs to attain high degrees of energy conservation and diversification. It is the support for installation of renewable energy equipments. The concept of energy management is implemented in the Industrial and Transport sectors.

Portugal has no indigenous production of oil. The state-owned company, Petrol, has the monopoly for oil refining and covers about 70% of the distribution and marketing of oil products. The rest of the market is covered by international oil companies. Refining capacity is of about twice the present requirements for oil products but the output mix does not correspond fully to the demand patterns of the Portuguese market.

Indigenous solid fuels production is negligible. However, great effort of prospecting in the Douro area is underway to increase production. Although some lignite reserve could be mined and the production of solid fuels from wood increased, any major contribution to increase the use of coal must come from abroad.

An extension of the Sines harbour and its coal handling facilities is under construction and a strengthening of the internal and coastal transport system will also be necessary to handle the projected increases in demand for coal (near 9m tonnes by the year 2000) to generate electricity and for industrial use.

The possibility of importing natural gas has been subject of several studies. The supply could be by LNG or pipelines through Spain. Further studies have to analyse the economic viability of the project and the security of supply.

Hydropower plays an important role in Portugal and the potential exists for a considerable increase in the capacity. The projections show an increase from the present 2.8 GW to 4.0 GW in 1990 and 5.1 GW in 2000. Coal is projected to cover an increasing share of the fuel inputs to electricity generation and the use of oil should gradually be confined to peaking purposes. A nuclear energy program option has to be decided by the Government and Parliament. If a decision to go ahead is taken nuclear could possibly contribute to electricity generation in the late 1990s. Portugal has 3,200 metric tons of proven reserves of uranium and an additional 2,500 metric tons of probable reserves. Remaining speculative reserves are in the range of 20,000 to 80,000 metric tons.

To complete these diversification programs it is foreseen the progressive increase in development of renewable energies, mainly solar, biomass, small hydro plants and, in smaller scale, wind and geothermal power.

Whatever the present difficulties, the Portuguese industry is rising to the challenge with a deep belief and a great enthusiasm on the path of development.

José Veiga Simão

Minister of Industry and Energy

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SPECIAL REPORT

PORTUGAL/3

Hopes of recovery and trade shine through the crisis

The Portuguese government presented a new economic recovery plan on March 7 after a two-day cabinet meeting. Emergency plans to overcome the economic crisis have been drawn up by most of the 15 provisional and constitutional governments during the past decade, but the crisis remains. Portugal is plagued by 30 per cent inflation, 11 per cent unemployment and a \$16.2 billion foreign debt. It is calculated that every Portuguese citizen now owes about \$1,800 on the debt — one and a third times the annual minimum wage.

Forty per cent of all tax revenues will go to pay the interest on the national debt. The charges rose 38 per cent last year because of the rising dollar and have reached \$2 billion, or 33.7 per cent of budget expenditure.

High interest rates and loss of buying power have paralysed the construction industry. Present restrictions discourage saving because money received on deposits after taxes is less than inflation.

Portuguese banks show negative balances. Money is escaping the country illegally or is being converted into tangible assets, further increasing inflation.

Tax evasion is a big problem. The heaviest tax burden falls on the salaried workers from whom it is withheld. A plan to tax gains on savings accounts belonging to Portuguese emigrants will further decrease deposits.

The emigrants, who are the main source of foreign exchange, can be expected to keep their money away. Emigrant remittances have already dropped 6.7 per cent since 1983.

Black marketeering and smuggling are rampant. There are an estimated one million people in the underground economy, which accounts for approximately one fourth of the gross domestic product. Cheating on social security — the



Men of steel: Tanker builders in a shipyard

health hazards. Hospitals are old and poorly equipped. The roads are in disrepair — every morning on the radio, an announcer warns drivers where the worst holes are.

The most dramatic feature of the crisis is the plight of nearly 150,000 workers who have not received their wages — some for as long as two years. Many state and private companies cannot or will not pay the wages — claiming they are near bankruptcy and have too many workers who cannot be fired under present labour laws.

There is real hunger in many areas, especially in the industrial belt around Lisbon. The government has been forced to allot about \$900,000 for emergency aid in the area.

The labour unions are losing their clout because they have been powerless to help the workers, and their members cannot afford to pay dues. The



All wired up: Telephone cables are woven together

head of the Confederation of Portuguese Industry (CIP) says many workers are "so desperate that they are willing to forget their back wages and start from scratch" just to keep their jobs.

Real wages have gone down 20 per cent since 1977. They fell 2.1 per cent in 1982, 5.1 per cent in 1983 and 11.3 per cent in 1984. In January prices on basic necessities such as food, utilities, transport and fuel were raised again by an average of 25 per cent, while wage increases negotiated this year were less than 21 per cent.

Keeping wages down to prevent spending was part of the austerity programme introduced by Dr Ernani Lopes, the finance and planning minister, when Prime Minister Mario Soares' Socialist-Social Democrat coalition government came into power in 1983. It was part of an agreement with the International Monetary Fund.

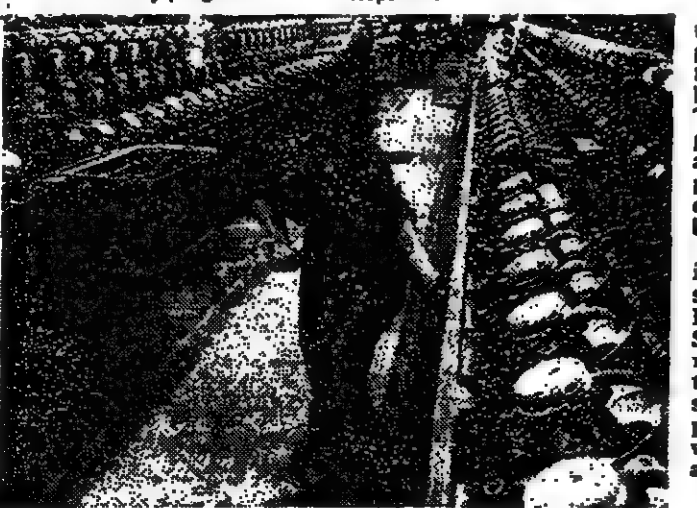
The austerity programme was

export market, followed by West Germany, France and the United States.

Textiles and clothing accounted for 28.3 per cent of exports. Shoes have become a spectacularly growing export. Agriculture and food products — including port wine and table wines — wood, paper, pulp, cork and machinery were also important. Imports were mostly food, crude oil and machinery.

Portugal imports 60 per cent of its food and all its oil. Eighty per cent of its imports are paid for in dollars. The oil crises and the rising dollar, which the government is helpless to control, have caused havoc with the economy.

In 1972 when the first oil crisis occurred, Portugal had just completed a giant shipyard for million-ton tankers and a 10-million-ton refinery and petrochemical complex, all of which are costly white elephants.



Women at work in a ceramics factory

Most of Portugal's loans are dollar loans, so the charges have become exorbitant as the dollar has risen against the escudo from 20 to 1 in 1972 to 185 to one in 1985.

In spite of its problems, Portugal has kept its image as a good credit risk, although it will not receive its scheduled \$90 million from the IMF because of failure to settle the problem of the money-losing state companies.

However, a new \$500 million loan has just been negotiated with a group of foreign banks on favourable terms. The finance ministry has said that Portugal will not need to sell any more of its gold this year.

Successive governments have set entry into the EEC as their goal, even though it will rock the country's fragile economy. The Confederation of Portuguese Industry opposes entry.

Negotiations have been long and tedious, particularly because Portugal's entry is linked with that of Spain. Talks have stalled over fishing rights, wine and other products.

Dr Soares, who first proposed entry 10 years ago, said recently that meeting the January 1986 deadline for entry is not all that important. "We don't believe entry should be gained at any price," he said.

After a decade in which the state has been the dominating presence, Portuguese industry appears to be heading for a spell of privatization. For most of the country's impatient business owners, it is not a moment too soon. They have long been clamouring for a relaxation of policies which, they say, are a leading factor in the industrial recession.

However, even for a government like the present one which favours a low state profile in industry, the liberalizing process is not easy. A socialist bent in the economy is built into the constitution, and the nationalization that swept most heavy industry under state control in 1975 as well as the law governing labour are virtually irrevocable until the constitution is revised.

Besides opening doors to the private banking sector and

New law will boost the building industry

insurance the government has shown its receptiveness to the idea of joint ventures with private partners in some industries and is slowly moving towards finding solutions for some of the money-losing state companies which have to be kept afloat with state funds.

It is in the process of closing down two bankrupt state shipping companies which practically monopolized general cargo, despite the 2,000 or so redundancies this will create, and it is encouraging job-cutting in the troubled ship repair and construction sector by offering early retirement and voluntary termination of work contracts.

A new rent law is being put through to stimulate the flagging construction industry.

The problems remain. Although the state-owned tobacco, cement, cellulose, uranium and beer companies are showing healthy profits, the grandiose state projects in petrochemicals, fertilizers and shipbuilding cannot simply be waved away with a magic wand and are expected to become profitable in a short time.

Private industries complain that they often take second place to the state sector and that their interests are sacrificed to keep the state companies going. The Confederation of Portuguese Industry, a particularly acerbic critic of government policies, has repeatedly demanded that more incentives be given to the private sector.

Speaking of money that the industry ministry admits has in some cases been poured fruitlessly into the state companies, Sarsfield Cabral, an economist, notes: "Nobody can doubt that the waste would not have gone so far if the companies had been private — the shareholders would have demanded an account".

Martha de la Cal

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(SPECIAL REPORT)

PORTUGAL/5

Painting a bright picture

Art galleries are opening all over Portugal, reflecting a new surge of interest in contemporary Portuguese painting.

The Gulbenkian Foundation in Lisbon has been an important factor in this phenomenon. It began showing modern works in 1957 and has awarded grants, scholarships and trips abroad to talented painters.

In the 1960s, the foundation bought a large collection of British paintings that have had a strong influence on modern Portuguese artists, and it inaugurated a modern art centre in 1983. One room is devoted to the works of Almada Negreiros, who gave great impetus to modern art in Portugal.

The Portuguese Ministry of Culture has also devoted a substantial part of its limited resources to showing Portuguese painters along with international artists. At the Ministry's Almada Negreiros Gallery, inaugurated in 1982, Rogério da Freitas, the director, has held two important



Trouble trio: from Skapinakis's *Studies of Melancholy* series exhibitions - one in 1982 of Portuguese artists who live outside Portugal, and a second in 1984 in homage to Almada Negreiros.

The ministry is also refurbishing a gallery in the beautiful, historic Palácio Foz in

only about six years ago. "Now there is the biggest movement to open galleries in the history of art in Portugal," says Senhor de Brito.

By international standards, works by top Portuguese artists are underpriced. Paintings by the most talented range between £250 and £3,000. An awareness of this fact is leading a few knowledgeable collectors to buy in Portugal, not only for intrinsic value as art, but also as good investment.

One of the best-known artists who have stayed to work in Portugal is Nikias Skapinakis, a Portuguese of Greek extraction. Some of his older work was influenced by Etruscan paintings, which he linked with the idea of the modern poster, but today he paints abstract landscapes. The Modern Art Centre recently gave a retrospective exhibition of 35 years of his works.

Other artists working in Portugal include José de Guimarães, Gil Teixeira Lopes, João Navarro Hogan, Luís Noronha da Costa, Carlos Cavet, Eduardo Batazda, Artur Bual, Cruzado Seixas, Angelo de Souza, João Resende, Nuno de Siqueira, Jorge Oliveira, António Dacosta, Lourdes Castro, Alice Jorge, António Sora and Luis Dourado.

Martha de la Cal

Investment - with a local accent

"We welcome any foreign investment that can improve the Portuguese economy," says Viana Baptista, president of the Foreign Investment Institute, which handles all investment applications.

"We are interested in those industries which will have a favourable impact on the balance of payments because they are export-oriented and have little import content."

Portugal is looking for industries that will use local products and manpower and contract out work to local companies. Though it wants industries which create employment, it is not offering cheap manpower - the lowest hourly wage in Europe (\$1.63, compared with \$6.47 for Britain) - as an enticement.

"We want industries that will give contracts to local companies, bring in new processes and technology and improve quality and make our companies competitive," says Senhor Baptista.

Priority sectors include food processing, the automotive industry, electronic and electrical components, computers, industrial equipment and machinery, sports goods and tourism.

The government is encouraging foreign investment in order to narrow the economic and technological gap with EEC countries before entry. Foreign investment legislation is liberal: the code makes no distinction between Portuguese and foreign firms.

Fiscal and financial incentives are offered for investments in manufacturing - depending on location, productivity and sector - and for export industries and tourism. In some cases direct loans and interest rebates are offered. Loans are also obtainable at reduced interest rates for agriculture, cattle raising, fishing and food processing. There is no limit on the annual remittance abroad of profits and dividends or on the

total amount of investment in case of liquidation. Foreign nationals are permitted to manage foreign companies.

The government is encouraging investors to set up operations in depressed areas away from the big cities. Local authorities compete for foreign industry by offering new roads, industrial estates, low rents and utilities.

Rigid labour laws which prevent sackings have been a stumbling block to new investment, but recently passed legislation permitting lay-offs and the hiring of workers on short-term contracts have made investors less wary.

The government has a new, more liberal labour law on its agenda. The intense agitation by the Communist-dominated unions that followed the 1974 revolution has eased. In 1984 only 0.1 per cent of total working days were lost through strikes.

Problems for the investor do remain, however. Ever-rotating

The biggest investor is the United States

governments and a slow, inefficient bureaucracy hold up decisions and make operating in Portugal tedious. The loss of buying power through shrinking wages and 30 per cent inflation has reduced the local market drastically.

Direct foreign investment in Portugal totalled \$191 million in 1984 compared with \$146 million in 1983 - an increase of 23 per cent. Of this investment, 19 per cent was in the electro-mechanical sector, 15 per cent in banks and other financial institutions, 11 per cent in hotels and tourism, 9 per cent in machinery and 5 per cent each in pharmaceuticals, food and chemicals. The main source of investment was the EEC (36 per cent), followed by North America (35 per cent) and

EFTA (14 per cent). The biggest single investor was the United States, with four big projects: Fort Lusitania, Sociedade de Organizações, Manufacturers Hanover and Chase Manhattan.

France was the second largest investor in 1984 with 12 per cent, followed by Switzerland with 11 per cent and Britain with 10 per cent. Two-thirds of the total foreign investment was made by firms already established in Portugal.

Until now British investment in Portugal has been in commerce and banking and in agriculture, textiles, paper and pulp, chemicals and metal working industries. Up to 1984, the typical British company had invested £10 million, employed 500 workers and had sales of £13 million.

British investments are changing and increasing. The largest British investments ever made in Portugal are in their final stages of negotiation. Wiggins Teape (British American Tobacco) will put £42 million into the Portuguese paper pulp company Soporgel, thus increasing its stake to 42.86 per cent. In addition, Wiggins Teape has agreed to build a paper mill to process the pulp, which is expected to go on stream in 1992. Wiggins Teape will bring in know-how and access to European markets.

Britain's leading mining multinational, Rio Tinto Zinc, has been given permission by the Portuguese government to buy a 49 per cent share of Somincor, the Portuguese company set up to work the Neves Corvo copper mines in the Alentejo. The company had put in escrow \$87 million to buy out the two former French owners, and won authorization to invest against competition from Anglo-American.

A further \$200 million investment will be needed before copper concentrates can be produced. British companies are

also investing in a big way in tourism on the Algarve, building and selling houses. A large amount of international "migrating" investment is channelled to Portugal through British intermediaries. For example, Arab investors are putting money into quality tourism in the Algarve through their London office.

Barclays Bank is one of the banks waiting to be authorized to operate in Portugal after the government's decision last year to open up the nationalized banking sector to private investment. Barclays opened an office in Lisbon in 1981 because the financial market looked promising.

Fourteen foreign and Portuguese banks have requested permission to operate in Portugal, but only eight or nine are expected to be authorized. Every bank must put up \$10 million in starting capital.

In addition to Barclay's Bank, those still waiting include: Banque Nationale de

Nationalized banks are in difficulties

Paris, Banque de Paris et des Pays Bas, Citibank, Banco Central de España, Banque Indosuez, Bank of Credit and Commerce International of Luxembourg, Société Générale de Banque de Belgique and three Portuguese institutions. Citibank and two of the Portuguese are expected to be given the go-ahead soon.

The two banks which have been given the green light are both American: Chase Manhattan and Manufacturers Hanover.

The government has also approved the conversion of the Sociedade Portuguesa dos Investimentos (SPI) into an investment bank. The SPI was formed by 100 Portuguese investors in the north of the country and has its headquarters in Oporto. By investing in businesses it hopes to make them competitive before Portuguese entry into the EEC.

Most nationalized Portuguese commercial banks are in serious trouble because of the government's economic policies. Four of them had a combined negative cash flow last year of \$100 million. The margin between what they gained in interest and what they paid out has been negative for the past three years. There are ceilings placed on the amount of credit they can give, which seriously limits their operations.

In many cases, however, they are afraid to extend credit. Thirteen per cent of loans are irrecoverable, credit is given on a political, rather than economic basis. Many nationalized and private firms are technically bankrupt and are dependent on nationalized banks to keep going and prevent politically unpopular lay-offs.

The newly appointed governor of the Bank of Portugal, Dr Victor Constâncio, a socialist economist, said recently that the Bank of Portugal "must be made independent of political pressures". Dr Ernani Lopes, the finance minister, has announced there will be a total revision of the banking laws - including a new organic law for the Bank of Portugal.

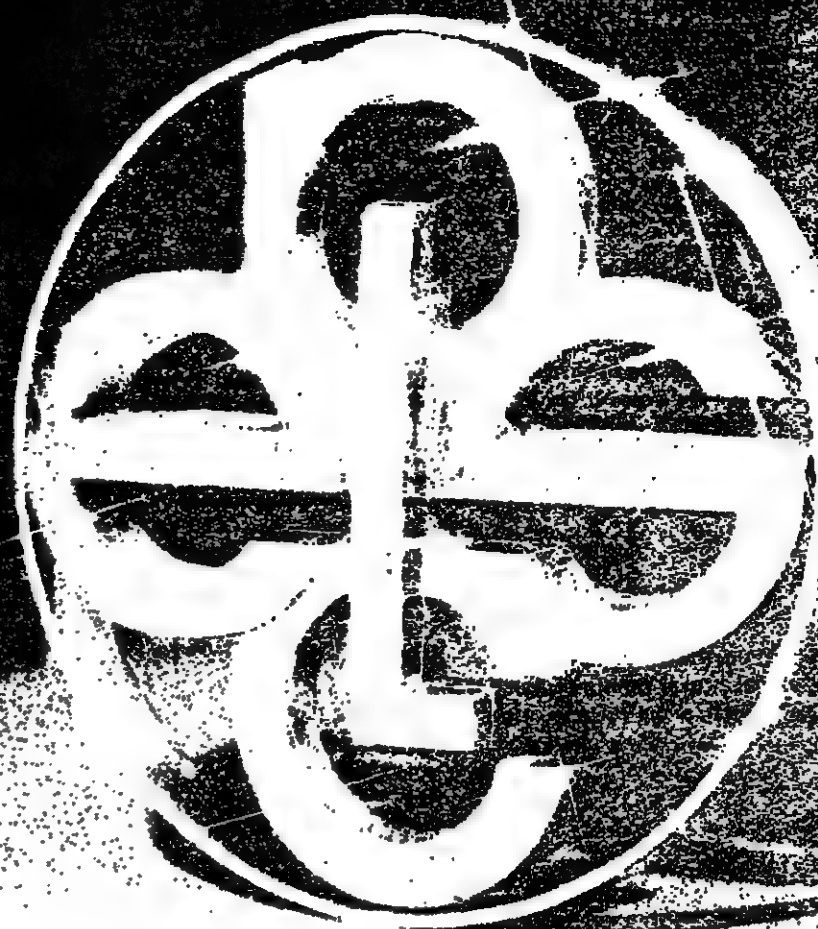
Changes which will very likely be made in the banking system include ways to get rid of excess liquidity. The government will probably finance its deficits through bonds offered at competitive rates of interest, as is done in other countries, rather than through external loans.

This would mean that money is put in government bonds rather than in time deposits which must be paid to depositors at the fixed rate of 27 per cent, whereas the banks are forced to buy treasury bonds that pay only 22-24 per cent, causing them to lose money. They are at present prevented from going broke only because the government bails them out.

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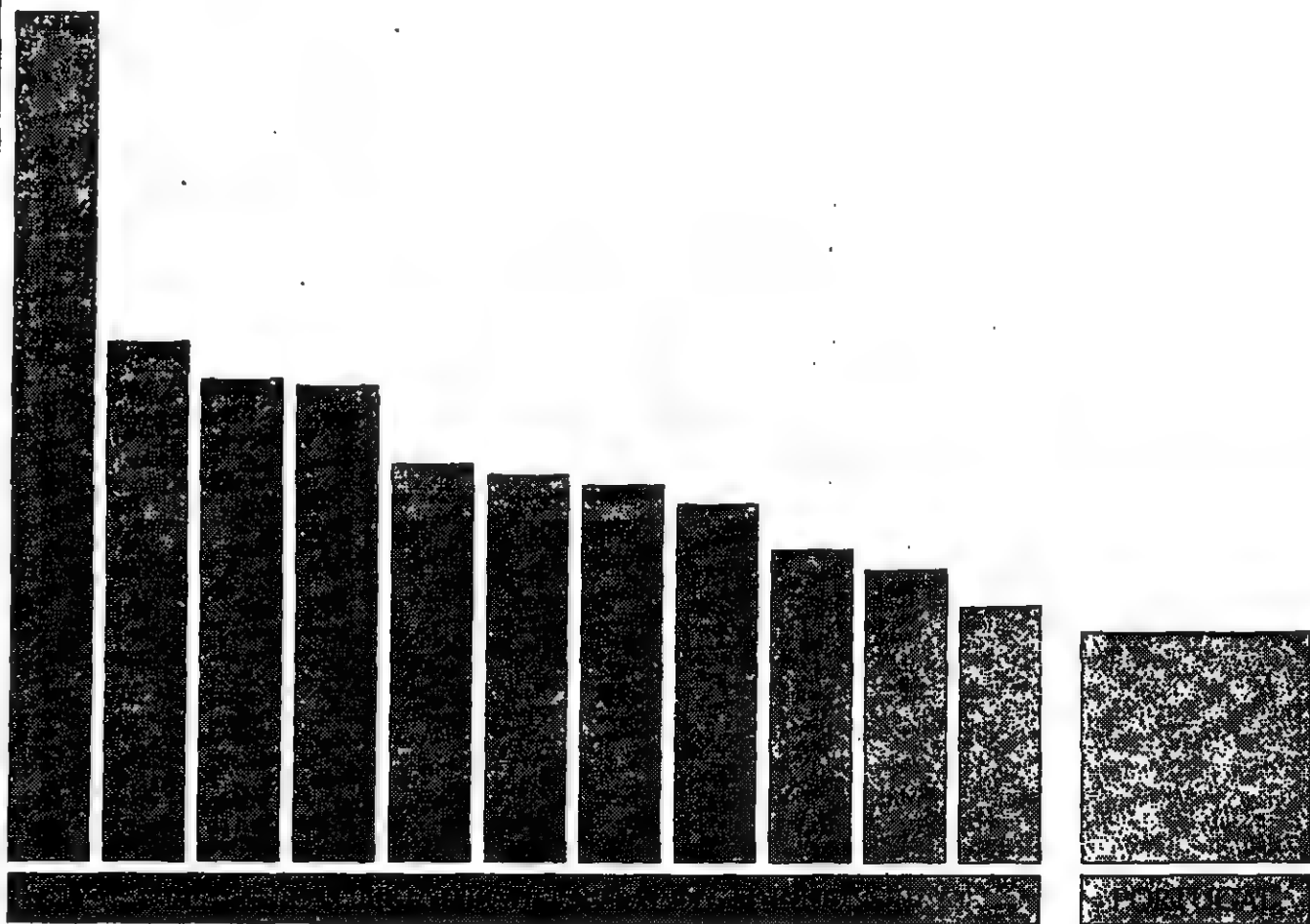


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Tourists may think only of Lisbon and the Algarve but some of the most beautiful and fascinating scenes are off the beaten track

Ancient towns, canals and Roman remains



For most people, a holiday in Portugal means Lisbon or the Algarve. But the country has much more to offer than that - from the rock-hewn houses of Minho villages in the far north to walled towns on the Spanish border.

In the primitive Minho region there are villages with rock-hewn houses which have not changed since the Middle Ages, and beautiful old palaces and manor houses, some of them offering bed and breakfast. One of the most fascinating places in the region is the medieval Viana do Castelo, which sits on a plain between the Atlantic and the Lima River.

Many of the towns and villages have colourful annual fairs and traditional festivals, some of them quite exotic. The costumes, dancing and ritual all

have their origins in the distant past.

The Minho's Penedo do Gerês national park has animals now extinct in the rest of Europe, including miniature ponies. The 70,000-hectare park also has remains of Roman and prehistoric civilizations, and offers water sports, trout fishing and camping.

The ancient city of Oporto on the Douro River is famous for its port wine. Organized tours from London will take tourists to Oporto and up the Douro to the port wine region on wine-tasting tours and to other regions such as the Dao, with its red and white table wines, and the regions of the *vinhos verdes* or green wines.

South of Oporto are Aveiro, with its picturesque river boats and canals, and Coimbra, with one of the oldest universities in Europe, founded in 1290.

Near the Spanish border are many walled towns on high hills, built over the centuries to

protect Portugal from Spain. To the south of Lisbon lies the Alentejo, a vast, rolling upland that was occupied by the Moors until the 15th century. The most outstanding city in the region is Evora, one of the oldest towns on the Iberian Peninsula. Its architecture represents all of the important styles for the past 1900 years, beginning with the first-century temple to Diana.

For those who like to take the waters, there are many spas around the country in natural settings. One of the most beautiful is at Busaco, in the wooded mountains above Coimbra. Its Palace Hotel is actually an old palace set in a walled forest planted by the Discovered Carmelites in 1628.

The best way to appreciate the "real" Portugal is to do a round of the *pousadas*, the state-controlled inns in historical buildings, castles, palaces and monasteries, or specially built hotels in interesting sites around the country. Some of the

most spectacular are the Pousada dos Lóios, formerly the old monastery of St John the Evangelist, in Evora, the Pousada da Rainha Santa Isabel on the historic site of the royal palace of Evora, and the Pousada Santa Maria in the walled mountain town of Marvão.

In the same category are the manors and farm houses which offer bed and breakfast. The buildings are from the 16th, 17th and 18th centuries, most of them in the north of the country. Around Ponte da Lima many of the manors, which still maintain the opulence of the time when Portugal's empire extended from Africa to the East Indies, have rooms available for tourists.

Both the *pousadas* and the manor houses have a limited number of rooms available, so it is necessary to make reservations well in advance through the Portuguese tourist offices.

If the tourist wants to get away from the mainland, he or she has a variety of Portuguese islands to choose from in the Azores and Madeira and Porto Santo. Madeira is being rediscovered by the British. Its

balmy climate and exotic plants and elegant hotels are bringing them back to the island, which has traditionally been a British haunt. The airport runway has been extended to make it possible to fly there directly rather than to fly to Lisbon and change planes. Many of the downtown streets are being closed to traffic, making it easier to stroll about looking at shops.

Nearly 710,000 Britons visited Portugal in 1984, 12.7 per cent more than the year

Campaign stresses the all-year warm climate

before. Of those, an estimated 600,000 were tourists, most of whom headed for the sunny, southern Algarve coast. Of a total of \$583 million spent by tourists, Britons accounted for about \$120 million.

The \$583 million represents a 19.6 per cent increase in dollar terms and a 62.6 per cent increase in escudos over 1983. Tourism is the largest source of foreign exchange for Portugal after emigrants' remittances.

The total number of tourists

increased by 10 per cent last year to 9,811,012, equalling the Portuguese population for the first time. Increases were greatest from countries with the strongest currencies against the escudo: the United States (12.1 per cent), Britain (12.7 per cent), Canada (20 per cent), Sweden (19 per cent), Spain (12.2 per cent) and Japan (36 per cent). Spain accounts for about 80 per cent of Portugal's tourists, most of them day-trippers who come across the border to buy bargains.

Luxury in Portugal can be had at bargain prices if the tourist has pounds, dollars, yen or another strong currency. A double room in a five-star luxury hotel in Lisbon costs between \$65 and \$79. On the Algarve, prices are somewhat higher. Four-star hotels range between \$21 and \$67, breakfast included. A three-star hotel will cost between \$18 and \$35. Occupancy in the luxury hotels has shown a sharp rise.

A three-course meal for two with wine, coffee and liqueurs will cost around £40 at the finest restaurants, but good meals for two with wine can be had for as little as £6.

There are also many new

luxury hotels. Two Meridien hotels have been built in Lisbon and Oporto, and two luxury hotels have gone up in the Azores Islands, one near the lakes in San Miguel and another near the beach at Ponto Delgado. Hotels are going up every month in the Algarve.

Tennis and sea fishing are gaining popularity

A two-year campaign in Britain and the United States stressing Portugal's year-round warm climate, good service, new sports facilities and special "theme" tours has already brought many new visitors.

Portugal still extols the beauty of its 530 miles of beaches and offers an ever-increasing number of discos and pubs. But more emphasis is being put on activities which are not available in other countries or are unique to Portugal because they acquaint the visitor with Portugal's history and its unspoiled natural beauty.

Because of Portugal's year-round mild climate, especially on the Algarve, a campaign called "Sportugal" has been

launched, aimed at drawing the outdoor sportsman to Portugal for golf, tennis, riding and other sports while the rest of Europe and North America are shivering with cold. There are six championship golf courses on the Algarve, which are usually fully booked in winter. Three new courses are near completion. The Lisbon area also has seven golf courses, including a new one just finished in Cascais, one on the Tróia Peninsula across the river from Lisbon, and another at the Vimeiro Spa.

Tennis is rapidly gaining popularity. On the Algarve there are several tennis complexes and all the big hotels have courts. Two big names in tennis now on the Algarve are David Lloyd in Carvoeiro and Roger Taylor in Val do Lobo.

Deep-sea fishing is gaining popularity, and many big, new boats are now available for rent.

If predictions are correct, there will be another 10 per cent increase in the number of tourists coming to Portugal this year. More than 10 million are expected.

Martha de la Cal

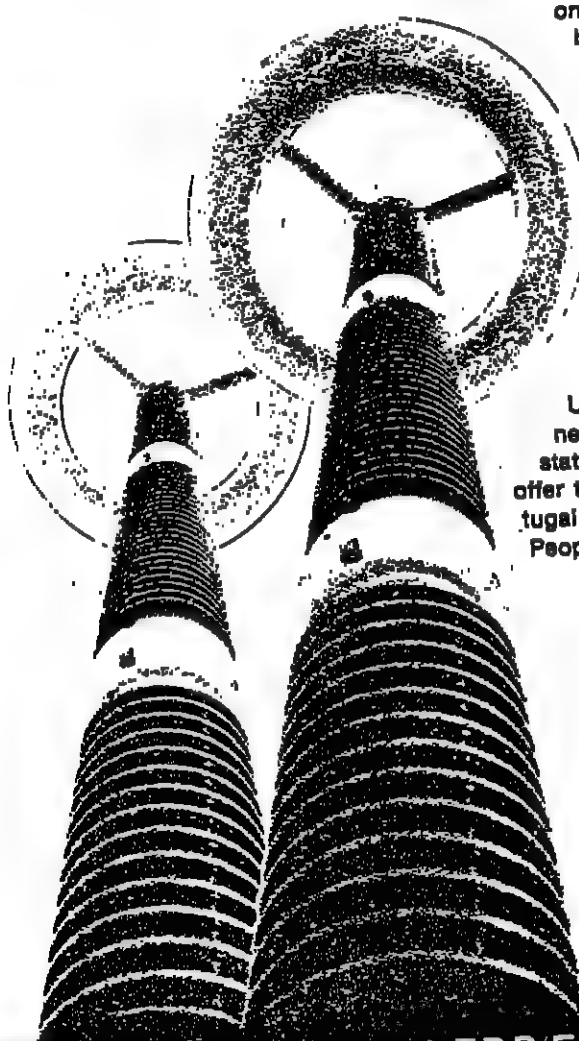
ahead of the future

We exist to ensure today, tomorrow's needs of energy in Portugal. We have 31 hydroelectric and 6 thermal power plants under operation. But we have to go further on. Under construction we have by now 5 hydroelectric power plants plus 1 thermal power plant.

And new ones are under project. Five interconnections,

one of them at 400 kV, between the electrical grids of Portugal and Spain, led our Country to be closer to the International Community. We have invested over 2000 millions US dollars for the last 5 years.

Our forecasts cover an investment of about 4300 millions US dollars within the next 5 years. We are a state-owned enterprise to offer the best service to Portugal and to the Portuguese People.



Electricidade de Portugal EDP/ Empresa Publica



ical industry to foul the pine-scented air.

Many a younger son bent on self-improvement has sailed south on the packet and found a good living in that civilized and ordered country. Among the oaks and cork trees of the Alentejo, or above the terraces of the winding Douro valley and on the richly fertile ravines and gullies of Madeira, the great shaded *quintas* of the English emigrants of the 18th and 19th centuries still attest to their good fortune.

It has always been a good place for a holiday, too. While the Peninsular War was in full swing, the roisterous Byron chased the plump peasant girls of Sintra and swam the broad Tagus just for the hell of it, an unpublished fact that should have put his Hellespont crossing in the shade. We still go there in our thousands; 709,725 Britons holidayed in Portugal last year, a 12.7 per cent rise on 1983.

It all started in the 12th century, when Portuguese merchants began trading in English ports, and has continued into this century. The Azores agreement at the end of the last war allowed British forces a base on the islands, and the RAF was granted overlying rights on the island during the recent Falklands conflict.

As a trading and maritime nation with an Atlantic seaboard, through its voyages of discovery in the 15th century and as a colonizing power, Portugal has a past which parallels Britain's. Relations were first formalized in 1373 when John of Gaunt made an alliance with Fernando I against their common enemy, the kingdom of Castile.

A few years later, English archers were among a force of 800 troops which took part in the battle of Aljubarrota, which secured the independence of Portugal for almost two centuries.

An Englishwoman even set in motion the era of Portuguese expansion. Philippa of Lancaster, who married John of Avis, brought to the Portuguese court the Anglo-Norman tradition of an aristocratic education; she was said to have studied the astrolabe with Chaucer and, as a Portuguese speaker, her influence was considerable. One of her sons was Prince Henry the Navigator, who inspired the Portuguese and Genoese sea captains to defy death and the unknown in the seas beyond the edge of the world.

Portugal's coffers began to fill with the trading benefits of Africa, the East and Brazil. Two centuries later a rather plain and devout Portuguese princess, Catherine of Braganza, managed to buy herself an English king, Charles II, although she had to pay dearly: two million *cruzados*, Tangier, Bombay and

the right to trade with Portugal's colonies.

Our merry monarch was even tempted with the island of Madeira. Portugal's prize possession; but Catherine could breathe again. In its turn, England bound itself to defend Portugal "as if it were England itself".

The marriage was the culmination of a series of treaties and dynastic alliances that linked the two countries, although the ensuing benefits would increasingly go to Britain. British merchants flocked to Lisbon, Madeira and Oporto, and their ships were a common sight in Portuguese waters: they would be packed with dried cod from northern seas (later to be turned into one of countless *bacalhau* dishes), woolens and hardware, and they would depart with wines, almonds, cork and salt.

British merchants banded together to found "factories", or commercial associations; preferential trading agreements helped them to flourish; a taste was developed for the sweetish wines of Madeira and Oporto, reaching its heyday in the late Victorian era. In some areas of Portugal the British imposed not only their book-keeping methods but also their way of life to such an extent that to this day their influence is reflected in the Portuguese language.

If a Portuguese makes an appointment at an exact time he might add, *hora inglesa*; if something is done for appearances only it is *para ingles ver*; a word may be *inglesada* when it is badly pronounced; the five-day English working week is a *semana inglesa*; and if anything is odd or new-fangled it can be usefully described as *ingles*.

Enthusiasm for English and its literature

We have had few words in return, although the Portuguese passion for *piqueniques* and the cries of *porto* by Vasco da Gama's seamen as they trailed round Africa with the coast constantly on their left are two I can think of.

The British community in Portugal are more Anglo-Portuguese now: their clubs are less exclusively English, some even speak excellent Portuguese, and they have dropped the pickled Edwardian formality that characterized watering spots such as Madeira.

Indeed, since the young army captains threw open the shutters in 1974 after the long night of the Salazar-Caetano era, Portuguese orientation has been increasingly towards Europe and Britain. Despite cuts in the British Council's budget and the closure this year of its Oporto office, the pressure has continued for English studies: the council's library in Lisbon recorded 60,000 book issues last year, and the British institutes in Lisbon and Coimbra gave English classes to a total of 5,500 pupils.

Young Portuguese are hungry for English and its literature, in

contrast to our ignorance about our oldest ally. Camões, Portugal's Homer, we have heard of, but what of Gil Vicente, their Shakespeare, the genius of Esa de Queiroz, who created Portuguese realism, the multi-faceted poetic personality of Fernando Pessoa, or the social realist Ferreira de Castro?

Despite the trading balance in Britain's favour which was established by the Treaty of Methuen in 1703, low wages and the devalued escudo have given Portugal an advantage in modern times. Exports to the United Kingdom last year, largely textiles, footwear, timber, cork and wine, totalled £644,520,000, against imports from the UK of £385,799,000.

Portuguese neutrality has not left it unscathed in the great conflicts of the past 200 years: indeed, Portuguese soldiers fought alongside the allies in the First World War. Invoking the

old alliance, Wellington commanded a force of 51,000 men, made up equally of British and Portuguese soldiers, and saw off the French at Busaco in 1810, ending the second invasion of Portugal by Napoleon's marshals.

Of Portugal's strategic importance Palmerston was later to say of its advantages: "If we were thus to lose them they would not be mere loss but would become formidable weapons of attack against us in the hands of a hostile power." Those words still apply: the Atlantic islands dominate a large area of ocean and, as a naval station, the Tagus is critical to Mediterranean communications.

Mrs Thatcher's support for Portugal's application to join the EEC will be valued by our old ally as it moves to a new European future.

John Blandy



Catherine of Braganza

The visitors who came to trade

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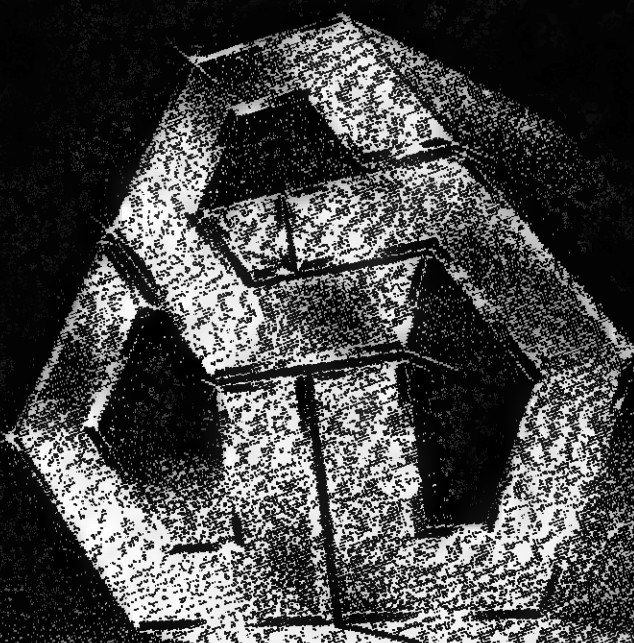
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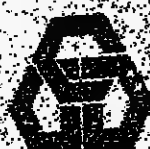
John Blandy



Catherine of Braganza



THE LINK
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and the World



CAIXA GERAL DE DEPOSITOS
The largest bank in Portugal



GOOD OLD PORT...

Born, in the beautiful Douro valley in north eastern Portugal, by the will of God with the help of its mountain people and the loving care bestowed on it throughout its years of ageing and maturing.

GOOD OLD PORT...

A very old wine but also the wine of tomorrow!

Instituto do Vinho Do Porto
Porto
Portugal

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THE TIMES

FINANCE AND INDUSTRY

Executive Editor Kenneth Fleet

Bank urges caution on options fans

Options are the fashion, as the rash of conferences and publications on the subject testifies. Yesterday Mr David Walker, a rising star at the Bank of England, used the occasion of one such gathering to compliment and admonish the burgeoning markets.

In the opulent surroundings of the Savoy, Mr Walker paid tribute to the skill with which the Stock Exchange and the London International Financial Futures Exchange had negotiated the treacherous waters of new financial instruments. He welcomed the growth of futures and options.

But regulation where it suspects need is never far from the Bank's mind, and Mr Walker also voiced worries which have been raised in the markets themselves. In essence, "rigorous quality control", particularly of exposure limits and back-up systems, was necessary to maintain a reasonable quality of risk-taking.

The message is not new - the Bank has already put this and similar principles into practice in the interbank foreign exchange options market over which it exercises direct influence. It is nevertheless timely. LIFFE plans to introduce three options contracts this year and the Stock Exchange has demonstrated a similar enthusiasm for the medium.

Some of the more thoughtful members of these markets, moreover, see options as the most likely way of removing the threat to London's fortunes as a futures centre.

The Bank is clearly warning the participants that their enthusiasm should not override their commitment to a properly run market. This is especially true if the aim is to attract a broader range of customers. In the new "free" world of the City, the voice of the regulator will be heard more, not less, often.

The Bank of England of course is not the sole regulator, nor even the chief - a role always reserved for the Government. The point is well made in the conflict of objectives between the Bank and the Treasury in the context of bond washing, or dividend stripping, a lucrative tax avoiding practice the Chancellor outlawed a few weeks before last week's Budget. The practical virtue of bond-washing, in the eyes of the Bank as overlord of the gilt-edged market, was that it enhanced the liquidity of the market and thus oiled the wheels of Government funding sales.

Hitherto the Bank has been able to design the structure of the new market in Government debt (after the Stock Exchange Big Bang) without considering American bond issue techniques (repurchase agreements and "when issued" dealing) as alternatives to London methods. It has also assumed a traditional role for the six Stock Exchange firms who also act as money brokers. The twin, and related, questions that have now arisen are: how valid is the money brokers' monopoly in the short term borrowing and lending of stock? and will the market's interest come to be concentrated, at any given time, on one bell-weather stock, rather than spread over several as it is now?

Expansive Gunn ready for more targets

John Gunn, chairman of Exco International - the widely diversified financial group which takes in moneybroking, stockbroking, foreign exchange, fund management and, not least, financial information - has spent much of the past year building his City reputation. He has also been assiduous in reassuring his critics that he is unlikely to repeat, in the foreseeable future, his previous tactic of imposing two rights issues on shareholders within six months. In consequence, the Exco share register now glitters with the best and brightest among the City's institutional funds.

The run-up in the Exco share price from 363p to a peak of 743p during the past year meant that much was (and is) expected of the company. Those expect-

tations were more than fulfilled yesterday, when Mr Gunn unveiled pretax profits up from £32.4 million to £80.6 million, on turnover £126 million higher at £210.6 million. The figures are plumped with takeovers and the most recent share issue, but earnings per share are still usefully up from 28.3p to 37.3p. The final dividend is 4.75p, making a total of 9p against 7.5p before.

The cash-generating record is so good that the company is probably positioned to make one or more sizeable takeovers. Shareholders' funds account for £221 million out of total capital employed of £297 million, so the scope is there for significant additional gearing.

Expansion is likely to continue the theme of financial services, although the Telerec/screen-based information service may diversify into more general news coverage, a la Reuters. At present, North America accounts for more than half Exco's profits, it would not be surprising if Mr Gunn sought to redress the balance by calling in the old world. There are one or two gaps in Exco's map of the Far East and Australia, but we can look to an increase in the UK's role.

At last, some good news on debt

This Friday in New York, Mexico is due to sign the first stage of its \$48 billion multi-year rescheduling deal with commercial banks. William Rhodes, Citibank senior vice-president and veteran debt rescheduler, who is among those attending this week's Inter-American Development Bank meeting in Vienna, said yesterday that the first phase should be signed as planned.

There is also encouraging news on Mexico's negotiations with the International Monetary Fund. According to Jesus Silva Herzog, Mexico's director of public credit, also attending the Vienna meeting, agreement has been reached with the IMF on a new letter of intent. Once approved by the IMF board this should pave the way for Mexico to draw about \$1 billion from the IMF under the final stage of its three-year programme. If the recent Mexican developments are heartening, there are still plenty of outstanding financial problems in Latin America which serve to highlight the long drawn-out nature of the developing country debt problem. Colombia, the one sizeable Latin American country which has not rescheduled its debt, it is reported to be seeking \$1.4 billion of new credits amid speculation it will have to agree to an IMF programme to obtain this.

Some of the other smaller debtors in the continent are still encountering severe problems in trying to bring about some semblance of internal and external adjustment. Brazil, with its fledgling civilian government, is having to take tough measures to regain favour with the IMF, which recently suspended disbursements because of soaring monetary growth.

Then there is Argentina, once again failing to meet IMF targets with the result that disbursement of the first two tranches of a \$1.42 billion standby loan will be delayed and this in turn will hold up a complex package of rescheduling and \$4.2 billion of new money from commercial banks.

In a message to the banks, Juan Sourrouille, economy minister, signalled his country's determination "to deal directly with all pending issues and to overcome the current delays." Jacques de Larosiere, IMF managing director, is also encouraging the banks to proceed with their package.

Although tackling the Byzantine distortions in Argentina's economy which have contributed to the present runaway inflation will not be easy and there are the inevitable internal political constraints, there are grounds for believing that the present Argentine administration wants to improve its image with the international financial community.

United Newspapers launches battle for control of Fleet

By William Kay City Editor

The expected battle for control of Fleet Holdings was launched yesterday when United Newspapers asked Mr Norman Tebbit, the Secretary of State for Trade and Industry, for "Consent in principle" to take over the group, which publishes the *Daily Express*, *Sunday Express*, *Daily Star* and a stable of trade and technical magazines under the Morgan-Grampian imprint. It also owns the *Argus*, *Pocket* and *Courier* series of newspapers in south Wales and the west country.

If Mr Tebbit and Fleet's shareholders, led by Lord Matthews, the chairman, approach, the ensuing deal would take United into national newspapers for the first time. Although the company is based in offices near Fleet Street and owns *Punch* magazine, its activities are concentrated mainly in running a substantial chain of regional newspapers in Lancashire and Yorkshire. They include the *Yorkshire Post*, the *Wigan Observer*, the *Sheffield Star* and the *Barnley Express*.

United already owns 20.1 per cent of Fleet, most of which it



Lord Matthews: no guarantee of a bid proposal.



Stevens: hoping to run a national newspaper.

bought in January from Robert Maxwell, publisher of *Mirror* Group Newspapers. Funds under the control of Warburg Investment Management have nearly 15 per cent of Fleet.

Last night's statement by United, which is led by Mr David Stevens, the merchant banker, said the company had gone to Mr Tebbit first rather than make an immediate bid because "such a merger cannot proceed without first obtaining

the consent of the Secretary of State under Section 58 of the Fair Trading Act 1973".

This states the sale of a newspaper title with a daily circulation above 150,000 cannot go ahead until it has been investigated by the Monopolies and Mergers Commission, unless the paper is in danger of closing.

So United is effectively starting an unavoidable process which will take several months.

In those circumstances, it was pointless to give a hostage to fortune by publishing proposed takeover terms.

However, both sides will now have to undergo the time-consuming task of assisting in a monopolies investigation without any guarantee that there will be a bid proposal at the end.

Such thoughts took Fleet shares down 3p to 285p last night, pricing the group at £240 million. United shares fell 5p to 313p, putting a value of £230 million on the company.

Yesterday's statement presumably dispels any doubts about Mr Stevens' ambition to run national newspapers. He will have to spell out his intentions to the Monopolies Commission, and if he were planning merely to sell on the *Express* stable, there would have to be yet another inquiry.

Lord Matthews, chairman of Fleet, has made little secret of his opinion of Mr Stevens. In January Lord Matthews said: "He (Mr Stevens) may have aspirations to buy the whole group. But it is out of his league."

IBM hit by strong dollar

From Michael Graham New York

IBM has announced its net income would fall in the first quarter of this year due to the strong dollar and new product introduction.

The projected decline will mark IBM's first drop in income since the fourth quarter of 1981 but the company said it still expected a strong second half and solid full-year growth.

The strength of the dollar in overseas markets, which provide IBM with 40 per cent of its revenue, was blamed for a drop of \$1.68 billion last year. This year IBM expects 90 per cent of the dollar's impact to occur in the first half.

The projected fall from \$4.62 a share to \$1.97 a share follows average year-to-year growth of 23 per cent, with an expected \$1.1 billion increase in revenue of \$9.59 billion.

The dollar continued to recover recent losses yesterday, helped by a rise in US short-term interest rates, writes David Smith. Our Economics Correspondent. The Fed Funds rate rose to 9 1/2 per cent, from 8 1/2 per cent on Friday.

In thin and nervous trading, the dollar gained nearly two pence to DM3.2375 against the mark, while the dollar index was up 0.7 to 150.5.

The pound held up well against a firmer dollar, losing only eight points to close at \$1.1702 in London. The sterling index rose 0.2 to 75.7, reflecting gains for the pound against the European currencies.

Computer Horizons, page 27

Ladbroke joins Intasun in £20m venture

By Derek Harris Commercial Editor

Mr Harry Goodman's Intasun Leisure is strengthening its links with Ladbroke, the betting, hotel and leisure group, by launching a joint venture based in Madrid to buy and manage holiday properties in prime Mediterranean resorts.

There will be initial backing of £20 million to come equally from the parent companies which will take the form of share capital issued as properties are acquired.

There is already a link between the two companies. Ladbroke has developed a holiday village near Bognor Regis, N Sussex, which will open this summer season under the banner of Club 18-30, which belongs to Intasun.

The new venture will take both Intasun and Ladbroke into Mediterranean properties for the first time in a substantial way. Ladbroke, when it took over Comfort Hotels at the turn of the year, acquired a number of Continental properties but none are in the southern resort areas.

Suzuki may build vans in Britain

By Our Industrial Staff

Suzuki, the Japanese motorcycle manufacturer, has been holding talks with General Motors about the possibility of producing small vans in Britain.

If the talks lead to an agreement, it would mark a further step in the trend of Japanese investment in motor manufacturing in this country.

A Suzuki spokesman in Tokyo confirmed yesterday that talks had been taking place. Suzuki had been in contact with Bedford, GM's commercial vehicle subsidiary in Britain, for some months, although no specific plans had yet been discussed, he said.

General Motors already has a 5 per cent stake in Suzuki, which specializes in small cars as well as its better known involvement in motorcycles.

A spokesman for Bedford described the reports yesterday as speculation. He added: "It is our policy never to talk about what may or may not be in our future programmes."

Speculation that GM might

build Suzuki vans at its Luton plant first surfaced in 1983. Bedford already builds one-ton vans for Isuzu, another Japanese firm, in which it holds a 34 per cent stake.

A "microvan" of the type produced by Suzuki would fill an obvious gap in Bedford's commercial vehicle range. Bedford lost £52 million last year, but is expected to return to profit by next year. Last month, GM announced the sale of Bedford's loss-making die production plant which had been threatened with closure.

Bedford has also announced its intention of cutting truck production capacity at its Dunstable plant from 50,000 to 30,000 a year. The van production facilities at Luton have been consolidated from 13 into two new buildings.

The Suzuki spokesman declined to provide details of the plan, including the type of vehicle to be produced and the volume of production under consideration.

Gooding to buy Servis for £3.75m

By Alison Eadie

Gooding Group, the privately-owned company founded by Mr Alf Gooding 15 months ago to pick up and revive ailing businesses, is buying the assets of Servis Group from the receiver for £3.75 million.

The Department of Trade and Industry is providing £2 million in grants and the West Midlands Enterprise Board will probably put up another £750,000. A total of 1,500 jobs will be saved.

Servis is the third largest manufacturer of washing machines in the United Kingdom and has 8.3 per cent of the market. It went into receivership on March 6 because of lack of capital, poor past management and conflicting union agreements, Mr Gooding said.

Gooding will spend £3.5 million on new plant for Servis over the next two years and hopes to "branch out" into manufacturing and servicing a wider range of home appliances.

£6bn Leeds merger off

The merger between the Leeds Permanent, the fourth largest building society, and the Leeds & Holbeck was called off yesterday. The merger, which would have created a society with assets of more than £6 billion, has run into repeated problems.

At the beginning of this year the Leeds Permanent faced opposition from members who objected to proposed golden handshakes for directors.

Currency drafts by computer

Citicorp is launching a computerized payment system for foreign currency drafts. It is called WorldLink and Citicorp claims it can reduce the clerical time involved in draft transactions by as much as two-thirds. The system is provided by Citicorp Remittance Service.

Steetley surge

Steetley, the construction materials and minerals group, has increased 1984 pretax profits to £32.7 million up from £23.3 million in 1983. Turnover rose to £221 million from £185 million. The final dividend of 7.5p makes 12p for the year, against 11p last time.

Tempus, page 23

Grand Metropolitan stressed yesterday that it was not looking for a buyer for its American cigarette making business, Liggett and Myers. However, the group has put up for sale its Pilsken US chewing and pipe tobacco business which no longer fits in with its strategy. A price of \$85 million has been suggested.

Freemans up

Freemans, the mail order group, increased pretax profits in the 12 weeks to January 26, from £14.1 million to £22 million. Turnover, including VAT rose to £359.7 million from £319 million. A final dividend of 3.5p makes 5.5p for the year, against 4.5p last time.

Tempus, page 23

Stronger stores

Combined English Stores made pretax profits of £9.2 million in the year ending January 26, a 54 per cent rise on 1983/4. Turnover, including Biba as a wholly-owned subsidiary, but not the Harry Fenton chain, which has been sold, rose 9.8 per cent to £121.9 million.

Tempus, page 23

British TELECOM

Information for Shareholders

● At the end of May you will be sent an Interim Certificate by the Registrar, confirming that your name has been entered on the register. If you have any queries about your shareholding you should write to the Registrar, Lloyds Bank Plc, Goring-by-Sea, Worthing, West Sussex BN12 6DA.

● With the Interim Certificate you will receive a reminder from the Government about payment of the second instalment of the share purchase price (40p per share), which is due by 24 June. The third instalment is not due until 9 April 1986.

● Individuals who applied for shares in the initial offer were eligible for bill vouchers or a share bonus.

● To receive the first issue of bill vouchers in August you must pay the second instalment on time and continue to hold your Interim Certificate at least until 25 June.

● To receive the second issue of vouchers you must continue to hold your Certificate until 23 December 1985.

● To remain entitled to the share bonus you must retain your Certificate until 30 November 1987 and pay both the second and third instalments.

● The first dividend is expected to be paid at the end of August.

● The Company expects to publish its Annual Report and Accounts in July and to hold its first Annual General Meeting in September. Further information will be published in due course.

RESULTS FOR THE THIRD QUARTER

Ended 31 December 1984

| The unaudited results for the three months and nine months ended 31 December 1984 are as follows | Three months ended 31 Dec | | Nine months ended 31 Dec | |
|--|---------------------------|------|--------------------------|------|
| | 1984 | 1983 | 1984 | 1983 |
| Turnover | 1941 | 1730 | 5620 | 5056 |
| Operating costs | 1470 | 1338 | 4226 | 3931 |
| Operating profit | 471 | 392 | 1392 | 1125 |
| Net interest payable | 85 | 137 | 322 | 408 |
| Profit before taxation | 386 | 255 | 1070 | 717 |
| Tax on profit on ordinary activities | 139 | - | 385 | - |
| Profit on ordinary activities after taxation | 247 | 255 | 685 | 717 |
| Preference dividend | 15 | - | 25 | - |
| Profit attributable to ordinary shareholders | 232 | 255 | 660 | 717 |
| Earnings per ordinary share | 3.9p | - | 11.0p | - |

Highlights

- Pre-tax profit for the three months to December 1984 at £386 million was £131 million higher than in the corresponding period last year. If allowance is made for the special factors identified in the prospectus, pre-tax profit was £53 million (21%) higher. On the same basis cumulative profit for the nine months was 25% higher.
- Turnover for the third quarter was £211 million (12%) higher. Volume growth contributed £136 million, nearly 8%.
- Growth in exchange lines and telephone calls continues to be encouraging.
- Net borrowings have reduced by £380 million since the beginning of the financial year.
- Business has continued to be satisfactory during the fourth quarter and the profit should continue the favourable trend of the first nine months' results.

Oilmen seek alternative to BNOC

By David Young Energy Correspondent

The independent oil companies owning shares of North Sea oil fields who presently sell their crude oil through the British National Oil Corporation are now investigating the setting up of an alternative trading company when the state-owned oil trader is disbanded in the autumn.

Several of the companies have contracts with BNOC to supply crude which run until the October deadline which the Government has set for the abolition of BNOC.

At present the alternatives open to them are to sell their crude to the integrated companies to sue the trading departments of larger oil companies on an agency basis or to enter into agreements with members of the free-market, trading operating in London or New York.

A third option which has been presented to them by the stockbrokers, Fielding, Newson-Smith and the County Bank is that a new oil-trading company could be set up to handle their interests on an agency basis or with the smaller companies taking an equity stake.

Bisgood changes name

By Cliff Feltham

Bisgood Bishop, the stock jobber, is changing its name to County Bisgood. The move, which has to be approved at a shareholders meeting, reflects the tie-up with County Bank which owns a 29.9 per cent stake, the maximum at present allowed under Stock Exchange rules.

However, the Bisgood name is likely to disappear altogether when Fielding, Newson-Smith, the jobber and stockbroker, in which County Bank holds a 5 per cent stake, is ultimately merged into an international securities house using the National Westminster Bank branch network.

MARKET SUMMARY

| STOCK MARKETS | | MAIN PRICE CHANGES | | CURRENCIES | |
|--------------------|--------------------|--------------------|---------|--------------------------|--|
| FT Ind Ord | 988.5 (-2.5) | NISSER | | London: | |
| FT-A All Share | 825.44 (-0.88) | Reardon Smith "A" | 10 +3 | £: \$1.1702 (-0.0008) | |
| FT Govt Securities | 80.74 (-0.02) | Burnett & Hallams | 13% +2% | £: DM 3.7899 (+0.0070) | |
| FT-SE 100 | 1297.8 (-5.1) | Reardon Smith | 20 +3 | £: SwFr 3.2100 (+0.0350) | |
| Baltic Freight USM | 113.87 (+1.26) | Solton Textile | 21 +3 | £: FF 1.5895 (+0.0255) | |
| New York | | Boustead | 30 +10 | £: Yen 300.32 (-1.01) | |
| Dow Jones | 1280.26 (-7.18) | CPU Computers | 58 +7 | £: Index 75.7 (+0.2) | |
| Tokyo | | Star Computers | 43 +5 | New York: | |
| Nikkei Dow | 12,493.28 (-44.69) | Wellman | 14% +1% | £: \$3.2388 | |
| Hong Kong | | Cluff Oil | 53 +5 | £: DM 1.1715 | |
| Hang Seng | 1362.23 (+1.54) | MJ Corp | 16% +1% | £: Index 150.5 (+0.7) | |
| Amsterdam | 204.5 (-1.1) | Quest Automation | 55 +5 | £: SDR 0.826948 | |
| Sydney: AO | 821.2 (+10.4) | Boislot | 39 +3 | | |
| Frankfurt | | Stockley | 78 +7 | | |
| Commerzbank | 1202.2 (-20.2) | En. Serv. & Elm. | 88 +6 | | |
| Brussels | | Stockard Higgs | 12 +1 | | |
| General | 293.60 (-15.02) | Monument Oil & Gas | 25 +2 | | |
| Paris: CAC | 209.7 (+1.6) | Sidlaw Grp. | 135 +12 | | |
| Zurich | | Hall Engineering | 132 +10 | | |
| SKA General | 344.50 (-1.10) | Feedback | 98 +7 | | |
| | | Aspinall Higgs | 144 +10 | | |

| GOLD | | FALLS: | |
|-----------------------|-----------|-------------------|-----------|
| London fixing: | | Dunlop Grp | 18 1/2 -2 |
| an \$315.90m-\$314.50 | | Hunderside Elec | 13 -1 |
| close \$315.50-316 | (2289.61) | Bluemert Bros | 12 -1 |
| 27.03) | | Novo (Jersey) Knt | 25 -2 |
| New York: | | Pitco Higgs "A" | 130 -10 |
| Comex \$315.00 | | | |

Copies of the Interim Results booklet can be obtained by telephoning Bristol (0273) 276133 or by writing to British Telecommunications plc, PO Box 263 Bristol BS99 7T5. For daily information on the British Telecom share price, see *Shareline* on one of the national news channels. London 01-246 8022 Birmingham 021-246 8056 Edinburgh 031-447 0333 Glasgow 041-248 4400 Liverpool 051-498 0797 Manchester 061-246 8050 Belfast 02322 8030 Bristol 0272 215444 Cardiff 0222 8037 Leeds 0532 8038

STOCK MARKET REPORT

Thorn EMI shares slip 7p on loss worries at Inmos

By Derek Pain and Pam Spooner

Wood, Mackenzie, the broker, says the chips are down at Inmos, the maker of microchips which Thorn EMI bought from the Government last summer for £95 million.

An analyst from the City firm visited the Inmos plant at Colorado Springs, America, last Friday and reported back with worrying figures. Sales are down by about 40 per cent apparently, with a downturn in demand for microchips hitting the industry hard. Price cutting is also eating into margins, and Inmos is looking at a loss of £2 million in the first quarter of 1985, the broker believes.

Inmos is also struggling to increase production of its new generation of microchips. It looks as though 1985 production targets will not be met, further increasing cost pressures through the year.

Pretax profits in the first quarter of 1984 were £1.3 million for the chip producer. In the whole of last year Inmos made profits of £14.4 million on sales of £110.8 million, results which pleased the City after a 1983 loss of £13.5 million.

For 1985 as a whole, Inmos struggle to get beyond breakeven, although the broker expects the company will do so. Nevertheless, the troubles show up the extreme volatility of life in the hi-technology world, and the high risk nature of the investment which Thorn has made.

Wood, Mackenzie has put a sell recommendation on Thorn shares and has made sizeable reductions in its profit forecasts for the group. The broker now expects a pretax total of £140 million this year, against a previous forecast of £147.5 million and a 1984 result of £156.8 million. The estimate for next year is also reduced from £180 million to £165 million.

There was little evidence of heavy selling yesterday, but the Thorn EMI share price dipped 7p to 42½p, still towards the low end of its trading range. Even last week's news of a £100-

million contract for Thorn-Ericsson from British Telecom has not helped the price gain much ground, and City men wonder when Thorn shares will move firmly forward.

Wood, Mackenzie obviously sees little prospect of progress in the short term, and points out that even the BT contract for Thorn-Ericsson will add only 5

pence to pretax profits in 1987 and 1988.

Mr Peter Laister, chairman of the analysis, but at the time of the 1984 results for Inmos he showed every sign of maintaining commitment to the company. Thorn invested £38 million in Inmos last year, apart from the initial purchase price, and "substantial further investment" is in hand for this year.

Equities started the long Easter Account on a subdued note. Although prices finished above their worst levels trading was dull with only the occasional special situation generating much excitement.

At the close the FT 30 share index was down 2.5 points at 989.9 points and the more broadly based FT-SE share index was 5.1 points lower at 1,297.8 points.

Government stocks had a mixed day. Small gains at the long end of the market were counterbalanced by falls among shorts.

Among blue chips Imperial Chemical Industries continued to respond to the bullish noises from de Zoete and Bevan, the broker, which were reported in

The Times on Saturday, the shares gained a further 20p to 794p.

Glaxo Group, hurt on Friday by conflicting stories about its American drug operations, closed 5p higher at 1145p.

Peninsular & Oriental Steamship shares were hit by market worries that the Office of Fair Trading is about to refer the

group's sale of its ferry operations to European Ferries to the Monopolies Commission. P & O shares fell 12p to 348p, and there was talk of sizable amounts of shares coming on offer.

But there would be little to harm P & O in any Monopolies inquiry. The sale has already gone through at a £12.5 million price, and the first tranche of cash received by P & O. Any Monopolies ruling against the transaction would affect European Ferries, at worst causing that company to divest itself of the P & O business. The European Ferries share price dipped 3p to 144½p.

Another leader to make progress was Imperial Group. Ahead of Thursday's shareholders' meeting the shares rose 7p to 195p. The group's shareholders' meeting takes place this week. There are high hopes that Mr Geoffrey Kent, chairman, will be able to announce that the group has sold its troublesome American offshoot, Howard Johnson, the catering and hotel chain.

Rumours have also resurfaced that Imps could use the Ho-Jo as a platform for a bid for Rowatree Mackintosh, the con-

fectionery group. RM gained 5p to 410p.

Elsewhere Myson gained 5p to 79p on its 70 per cent profits increase and its return to the dividend lists. The shares were equal to 16p when ex-General Electric Co men, Mr John Salkeld and Mr Ray Wheeler moved in.

The USM had a good day. The junior market was helped by a sharp profits improvement from Spring Ram, the bathroom and kitchen group.

At just over £3 million, profits were up 88 per cent and comfortably ahead of the City's

best expectations.

Mr Bill Rooney, chairman, says it has made a fine start to its present year. The shares rose 9p to 215p.

Lorita, the USM trade switch maker, announced profits of £812,000 against £567,000. More than £1 million seems

Shares of British Car Auction held at 86p yesterday as the market contemplated Thursday's interim figures. Although some forecasts stretch to £4.9 million (with a full-year projection of £12 million), there is a strong contingent which expects less than £4 million (against just over £3 million).

likely for the full year. The shares gained 5p to 175p at one time although the price later drifted back. Crown International Productions, the video group headed by Mr Gordon Currie, made a fine debut. Placed at 60p it closed at 88p.

Australian textile group East had added a loan note alternative to its 70p cash per share offer for 1.32 per cent, picking up only 1.32 per cent acceptance. It already has a 5.78 per cent stake, so now controls 7.1 per cent.

The offer has been extended until April 12 and can be extended for a further 21 days from the day on which Tootal announces its present year forecasts. Tootal shares eased 1p to 71½p, keeping their nose in front of the offer price in the hopes of a higher bid.

Commercial Union, stripped of its dividend, fell 9p to 201p. Oils had a mixed day. Lamo, on a favourable offshore Sicily drilling report, gained 5p to 353p. Lamo is the operator for a seven partner group.

CHAIRMEN'S REPORTS

Gartmore Information & Financial Trust: Mr W. Campbell Allan, the chairman, says that the industrialized world has entered a low inflationary era which will reward the saver, enable companies to plan ahead and invest to create jobs and provide rising living standards for the whole community. Such a background should prove favourable for the majority of financial service companies who have often been adversely affected by high inflation in the past.

Imperial Group: Mr Geoffrey Kent, the chairman, says in his annual statement that the first three months of this year is comparable with the same period last year. Looking further ahead, progress will depend not only on organic growth of existing operations but on the development of related interests.

Barma: Mr J. B. Burrows, the chairman, reports that 1984 was a year of consolidation. In his annual statement he says the strong position of the company in the fibre-bonded carpet market, improving sales of carpet tiles, exports potential and the new tufting plant supported by the strengthened management and sales team gives him confidence for the future.

Meggit Holdings: In his last statement before retiring as chairman, Mr J. D. Tyler says that no dividend is being paid in order to support the development of current operations. The identified growth has been identified. It has been an active and effective year during which a new corporate strategy has been developed.

George Dew: Mr Arnold Barcroft, the chairman and managing director, reports that while the outlook for the British construction market is dependent upon the increases in Government capital expenditure on the infrastructure necessary for national economic growth the group will continue to employ its financial resources, plant, staff and workforce to the best advantage.

UTC Trading Corporation: Mr Leonard Phillips, the managing director, says that it is probable that the future direction of the company will mean concentrating on the development of property and its related service activities. Various potential acquisitions are being considered primarily linked to property activities.

Crest Nicholson: Mr David Donnesays, the chairman, says that the group remains committed to growth by acquisition. In his annual statement he reports that the prospects for further growth in 1985 are supported by targets with all group companies working.

TEMPUS

Two years later Steetley shows Hepworth the way

It is almost two years to the day since Hepworth Ceramic launched its unwelcome bid for Steetley. The takeover was subsequently blocked by the Monopolies Commission but in the intervening period the two companies have seen a contrasting change in their fortunes.

Just before the bid was made Hepworth shares stood at 142p and Steetley at 154p. Yesterday Hepworth closed at 131p and Steetley at 307p. On Friday Hepworth reported a very disappointing set of figures while Steetley weighed in yesterday with pretax profits for 1984 of £32.7 million, up 40.8 per cent from £23.2 million. The Steetley star is in the ascendancy and it has now switched from recovery to the much more demanding path of growth. The profit improvement seen in 1984 will therefore be a lot harder to repeat.

If anything, yesterday's figures from Steetley were a shade disappointing. The miners' strike cost at least £2 million in direct costs alone and the Canadian restructuring company failed to materialize. There is clearly scope for improvement in 1985 from a solution for both these problems.

More important, however, will be the much stronger operational and financial base from which the company is now working. The Australian business has been disposed of, and the recent investment and rationalization programme, leaving the group tidier and more efficient.

Borrowing fell by another £3 million to £36 million. They would have been £6 million lower in sterling terms had it not been for the dollar's strength, which hit the translation of US debt. With gearing now hovering around 20 per cent, Steetley is well placed to move on to the acquisition trail. The targets will not always be headline grabbers but they will offer the opportunity to build on the group's organic growth.

The downturn in the construction industry, particularly that part funded by the public sector, will not help Steetley's cause. However, the supply of material to the private sector, boosted by an increase in brick production capacity by 50 million tons to 350 million

tons during the year, will help compensate. A poor start to the year, through the bad weather, may depress first-half figures, but the shares should still be held for steady growth.

Freemans

Freemans did its best yesterday to help reduce the credibility gap which still exists between the City and the mail order firms. Preliminary pretax profits, up from £14.1 million to £22 million, were rather impressive but left the market eventually unmoved. After a brief increase, the shares closed down 2p at 200p.

The key to Freemans' improvement was the surge in sales in the second half. The number of agents were increased to 610,000, against 585,000 a year ago, and they were helped by good catalogues, particularly on the fashion side. Fashion sales were strong and their higher margins also helped profitability.

The company also improved its service in the second half by increasing stock levels. These had to be financed and borrowings increased by £5 million to £18 million. The additional interest burden was outweighed by the benefits of higher sales and, with operational gearing such an important factor, the additional volume made a healthy contribution to profits.

Stock write-offs will increase inevitably as a consequence of the higher stock levels but the amounts are manageable and will not have the same impact as they have had in the past.

There was some better news on another important item - bad debt provisions. These actually fell in the year. However, this was largely a reflection of the reduction in the sales agents in 1983. Better credit control and agent vetting will help in future but the increase in the number of agents during 1984 will inevitably lead to higher provisions for bad debts in the current year.

The impact of the miners' strike was also not as bad as some people had feared. There clearly was an effect but fairly minimal, both in terms of bad debts and lost sales.

Freemans has certainly overcome its customer credibility

problems of a few years ago and now only needs to convince the City that its lack of faith is misguided. There might be some minor worries about interest rates but the company could still make £27 million this year. On fundamentals, the shares look cheap

Combined English Stores

Combined English Stores is having a hard job convincing the stock market to re-rate its shares. The share price has come up 50 per cent in the last six months, but yesterday's results, showing taxable profits up 54 per cent to £9.2 million, left the shares unmoved at 126p. The rating is still low by stores sector standards.

The historic p/e ratio is 12.5 and, assuming profits of £11 million this year and a tax charge at 40 per cent, the ratio drops to a prospective 10.3. The yield is also more generous than the stores average of 5.6 per cent.

Part of the problem lies in the mix of businesses, which does not add up to coherent image for the group as a whole. Apart from the four retail chains - Biba in West Germany, Collingwood, the jewellers, Allens, the chemists, and Salisburys, the handbags and accessories chain - there is an upmarket holiday camp business and a wholesale division.

Collingwood, Biba and Allens have all done well. Mr Patrick Hammond-Turner, Collingwood's new managing director, pushed up the gross margin by 6 per cent and raised profits to £2.1 million from £1 million. His attentions have now turned to Salisburys, where profits recovered strongly in the second half after the re-fit programme of the first half, but the results for the year were a modest 7 per cent profit growth.

Future growth will come most strongly from Collingwood and Allens, which are adding on stores at a brisk pace, and Salisburys if the good start to the year can be sustained. Although Biba's profitability and stock turn are impressive, growth is likely to slow down.

CES has a strong balance sheet and is looking for acquisitions.

Traded option highlights

Traders on the London options market yesterday were doing more business at the Savoy than on the trading floor. Though contracts were not changing hands at the hotel, the market men were taking a good professional look at information offered there in a seminar on the Chicago and European options markets.

Back at the ranch, business was predictably slack, mirroring

the quiet tone elsewhere on Throgmorton Street. A total of 5,745 contracts were traded, with only one option showing above the 1,000 volume level. Commercial Union, subject of takeover speculation, scored a 1,512 number of contracts dealt in.

Prices were also subdued, with only the ICI April 500 call contract showing any significant change. The price rose 22p.

Lawson puts the onus on dealers

COMMODITIES REVIEW

Nobody will be counting his or her capital gains (or losses) for the ready cash until after seeing the fine print of the Budget, but it does look as though the lobbyists for London's futures and options markets have won a famous tax victory. It was all the more pleasant a surprise because the studied silence from Whitehall had led some feeble spirits to assume that the cause was lost.

But the markets can yet snatch defeat from the jaws of victory. It is right, and a great advantage, that the tax treatment of futures and options should be the same as for equities. The change does not, however, solve the market's problems. Indeed, it places the onus on them to generate the

custom they say they need and want.

The crucial point about the proposed change is that it applies to "profits in futures which are not part of a trade". Translated, for practical purposes, that means the oft-discussed and little-regarded private investor. Unless there is a cruel redefinition of what constitutes trading, the Kensington dentist should be able merrily to buy and sell futures and options without fear of incurring income tax on those transactions.

The truly great advantage of the likely new arrangements is

that many investors will not make sufficient profit (deliberately or otherwise) to exhaust their Capital Gains Tax exemption.

They will therefore make a bit on the side, free of tax, a feat much more difficult if they are paying income tax at 60 per cent. And of course, the dentist who so mismanages his or her affairs as to incur taxation will only pay at 30 per cent.

But will these saviours of the futures markets seize on the Chancellor's bounty? I fear that two further preconditions are necessary: investor protection, including the Association of Futures Brokers and Dealers, must be passed into law; and someone will have to sell the idea of futures as investment.

With luck the first condition will be fulfilled fairly automatically. The Bill should be put before the House during the summer, and the machinery in place next year. Given London's liquidity leakage to rival centres, notably the United States, this will not be a moment too soon.

The second problem will not be resolved so easily. London is historically a centre for trade business, and the markets have taken the agreeably relaxed view that you sit and wait for the business to roll in. Such

marketing as has occurred had been left to individual firms.

Changing the habits of generations is no simple matter. There are some stirrings. The London International Financial Futures Exchange, the International Petroleum Exchange, and more recently the London Commodity Exchange itself have begun to tackle the question systematically.

But there are other obstacles. In continental Europe, to which London markets are turning for the liquidity necessary to rival New York and Chicago, the American commission houses already well entrenched. It will be hard work to persuade investors to switch to new brokers and to use London.

Selling these same services to British institutions, as distinct from individuals, may have its entertainment value as well. I suspect that their innate conservatism rather than tax considerations has kept them away from futures and options. It will therefore take more than a favourable tax change to enlist their support in strengthening London's markets.

And we are still waiting for the one change which could decisively improve the atmosphere for futures investment: bringing the funds back onshore. This should be incorporated in the Bill expected during the summer.

Michael Prest

Bank of Ireland

announces that with effect from close of business on 26th March 1985

its Base Rate for lending is reduced from

14% to 13½% per annum

Bank of Ireland

HICKSON ADVANCES

Sales up 15%
Profit up 25%

Earnings per share up 25%

Highlights from the Report and Accounts for 1984

| | 1984 | 1983 |
|------------------------------------|-------|-------|
| | (£m) | (£m) |
| Turnover | 133.7 | 116.4 |
| Group profit before tax | 15.0 | 11.8 |
| Earnings for ordinary shareholders | 8.7 | 7.0 |
| Total ordinary dividend | 2.7 | 1.8 |
| Earnings - pence per share | 45 | 36 |
| Dividend - pence per share | 14 | 9.2 |

"The improvement in the world-wide chemical business which was seen in the second half of 1983 continued throughout 1984 and this is reflected in the increased profits from the group's chemicals business..."

"There are good long term prospects for the timber protection business world-wide and Hickson has a wealth of experience and expertise with which to exploit the opportunities..."

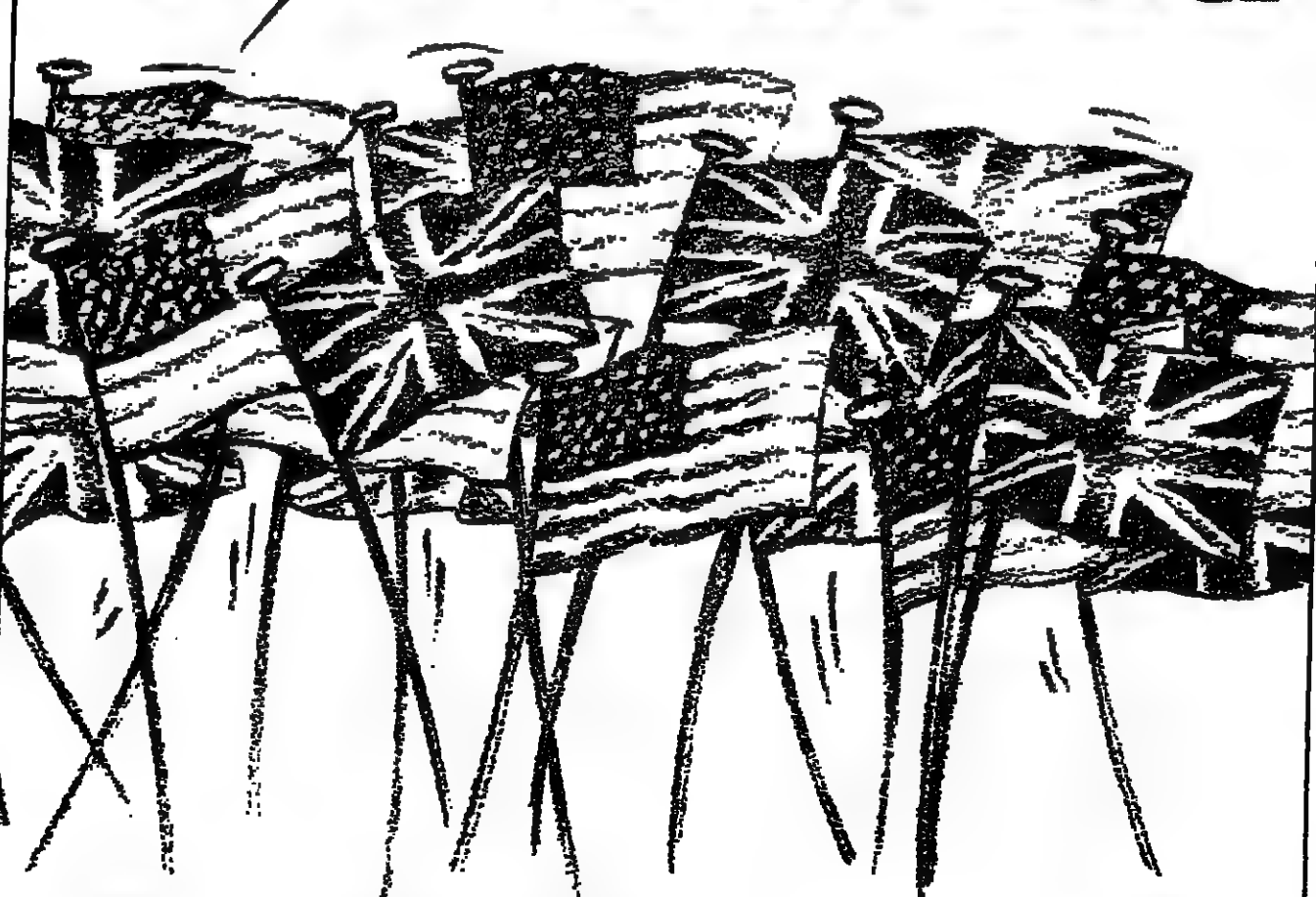
"It is proposed to make an exceptional increase in the dividend..."

M. Hopley Chairman

The above information is an abridged version of the Group's full accounts which have not yet been filed with the Registrar of Companies but on which the company's auditors have given an unqualified opinion.

The full Report and Accounts will be circulated to shareholders on 10 April 1985 and will then be available from the Secretary, Hickson International PLC, Castleford, West Yorkshire WF10 2JT.

Something to wave about.



In 1984 our Earnings per share growth was greater than Hanson Trust or BTR. If you want to know more about the Hawley Group of companies fill in the coupon below

Profit before taxation (£m)

84 31.485
83 14.234
82 5.305

Earnings per share (pence)

84 11.6 (+75%)
83 6.4 (+42%)
82 4.5

Name

Address

Postcode

For our latest Report and Accounts please send to 5 Hanover Square, London W1R 9HE

DAILY DIVIDEND
£2,000
Claims required for
+26 points

Claimants should ring 0254-53212

[illegible]

| | | | | | |
|------------------|-----|------|-----|-----|------|
| Cropper (Lamont) | 127 | | 1.5 | 1.5 | 3.5 |
| DFB | 160 | | 1.5 | 1.5 | 3.5 |
| Ecological Rule | 163 | -1.5 | 1.5 | 2.5 | 3.5 |
| General Goals | 174 | -1.5 | 1.5 | 2.5 | 3.5 |
| Good Relations | 216 | -1.5 | 1.5 | 1.5 | 22.5 |
| Low H-GC-E | 273 | -1.5 | 1.5 | 1.5 | 22.5 |
| McCorquodale | 278 | -1.5 | 1.5 | 1.5 | 22.5 |
| Moons of Fernalt | 279 | -1.5 | 1.5 | 1.5 | 22.5 |
| Narbon Opac | 284 | -1.5 | 1.5 | 1.5 | 22.5 |
| Osby & Muser | 284 | -1.5 | 1.5 | 1.5 | 22.5 |
| Olive Paper | 34 | -1.5 | 1.5 | 1.5 | 22.5 |
| Sutton & Wether | 34 | -1.5 | 1.5 | 1.5 | 22.5 |
| Sutton & Wether | 34 | -1.5 | 1.5 | 1.5 | 22.5 |
| Usher Walker | 34 | -1.5 | 1.5 | 1.5 | 22.5 |
| Vice | 34 | -1.5 | 1.5 | 1.5 | 22.5 |
| Washington (A) | 34 | -1.5 | 1.5 | 1.5 | 22.5 |
| Washington (A) | 34 | -1.5 | 1.5 | 1.5 | 22.5 |

| PROPERTY | | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 | 2101 | 2102 | 2103 | 2104 | 2105 | 2106 | 2107 | 2108 | 2109 | 2110 | 2111 | 2112 | 2113 | 2114 | 2115 | 2116 | 2117 | 2118 | 2119 | 2120 | 2121 | 2122 | 2123 | 2124 | 2125 | 2126 | 2127 | 2128 | 2129 | 2130 | 2131 | 2132 | 2133 | 2134 | 2135 | 2136 | 2137 | 2138 | 2139 | 2140 | 2141 | 2142 | 2143 | 2144 | 2145 | 2146 | 2147 | 2148 | 2149 | 2150 | 2151 | 2152 | 2153 | 2154 | 2155 | 2156 | 2157 | 2158 | 2159 | 2160 | 2161 | 2162 | 2163 | 2164 | 2165 | 2166 | 2167 | 2168 | 2169 | 2170 | 2171 | 2172 | 2173 | 2174 | 2175 | 2176 | 2177 | 2178 | 2179 | 2180 | 2181 | 2182 | 2183 | 2184 | 2185 | 2186 | 2187 | 2188 | 2189 | 2190 | 2191 | 2192 | 2193 | 2194 | 2195 | 2196 | 2197 | 2198 | 2199 | 2200 | 2201 | 2202 | 2203 | 2204 | 2205 | 2206 | 2207 | 2208 | 2209 | 2210 | 2211 | 2212 | 2213 | 2214 | 2215 | 2216 | 2217 | 2218 | 2219 | 2220 | 2221 | 2222 | 2223 | 2224 | 2225 | 2226 | 2227 | 2228 | 2229 | 2230 | 2231 | 2232 | 2233 | 2234 | 2235 | 2236 | 2237 | 2238 | 2239 | 2240 | 2241 | 2242 | 2243 | 2244 | 2245 | 2246 | 2247 | 2248 | 2249 | 2250 | 2251 | 2252 | 2253 | 2254 | 2255 | 2256 | 2257 | 2258 | 2259 | 2260 | 2261 | 2262 | 2263 | 2264 | 2265 | 2266 | 2267 | 2268 | 2269 | 2270 | 2271 | 2272 | 2273 | 2274 | 2275 | 2276 | 2277 | 2278 | 2279 | 2280 | 2281 | 2282 | 2283 | 2284 | 2285 | 2286 | 2287 | 2288 | 2289 | 2290 | 2291 | 2292 | 2293 | 2294 | 2295 | 2296 | 2297 | 2298 | 2299 | 2300 | 2301 | 2302 | 2303 | 2304 | 2305 | 2306 | 2307 | 2308 | 2309 | 2310 | 2311 | 2312 | 2313 | 2314 | 2315 | 2316 | 2317 | 2318 | 2319 | 2320 | 2321 | 2322 | 2323 | 2324 | 2325 | 2326 | 2327 | 2328 | 2329 | 2330 | 2331 | 2332 | 2333 | 2334 | 2335 | 2336 | 2337 | 2338 | 2339 | 2340 | 2341 | 2342 | 2343 | 2344 | 2345 | 2346 | 2347 | 2348 | 2349 | 2350 | 2351 | 2352 | 2353 | 2354 | 2355 | 2356 | 2357 | 2358 | 2359 | 2360 | 2361 | 2362 | 2363 | 2364 | 2365 | 2366 | 2367 | 2368 | 2369 | 2370 | 2371 | 2372 | 2373 | 2374 | 2375 | 2376 | 2377 | 2378 | 2379 | 2380 | 2381 | 2382 | 2383 | 2384 | 2385 | 2386 | 2387 | 2388 | 2389 | 2390 | 2391 | 2392 | 2393 | 2394 | 2395 | 2396 | 2397 | 2398 | 2399 | 2400 | 2401 | 2402 | 2403 | 2404 | 2405 | 2406 | 2407 | 2408 | 2409 | 2410 | 2411 | 2412 | 2413 | 2414 | 2415 | 2416 | 2417 | 2418 | 2419 | 2420 | 2421 | 2422 | 2423 | 2424 | 2425 | 2426 | 2427 | 2428 | 2429 | 2430 | 2431 | 2432 | 2433 | 2434 | 2435 | 2436 | 2437 | 2438 | 2439 | 2440 | 2441 | 2442 | 2443 | 2444 | 2445 | 2446 | 2447 | 2448 | 2449 | 2450 | 2451 | 2452 | 2453 | 2454 | 2455 | 2456 | 2457 | 2458 | 2459 | 2460 | 2461 | 2462 | 2463 | 2464 | 2465 | 2466 | 2467 | 2468 | 2469 | 2470 | 2471 | 2472 | 2473 | 2474 | 2475 | 2476 | 2477 | 2478 | 2479 | 2480 | 2481 | 2482 | 2483 | 2484 | 2485 | 2486 | 2487 | 2488 | 2489 | 2490 | 2491 | 2492 | 2493 | 2494 | 2495 | 2496 | 2497 | 2498 | 2499 | 2500 | 2501 | 2502 | 2503 | 2504 | 2505 | 2506 | 2507 | 2508 | 2509 | 2510 | 2511 | 2512 | 2513 | 2514 | 2515 | 2516 | 2517 | 2518 | 2519 | 2520 | 2521 | 2522 | 2523 | 2524 | 2525 | 2526 | 2527 | 2528 | 2529 | 2530 | 2531 | 2532 | 2533 | 2534 | 2535 | 2536 | 2537 | 2538 | 2539 | 2540 | 2541 | 2542 | 2543 | 2544 | 2545 | 2546 | 2547 | 2548 | 2549 | 2550 | 2551 | 2552 | 2553 | 2554 | 2555 | 2556 | 2557 | 2558 | 2559 | 2560 | 2561 | 2562 | 2563 | 2564 | 2565 | 2566 | 2567 | 2568 | 2569 | 2570 | 2571 | 2572 | 2573 | 2574 | 2575 | 2576 | 2577 | 2578 | 2579 | 2580 | 2581 | 2582 | 2583 | 2584 | 2585 | 2586 | 2587 | 2588 | 2589 | 2590 | 2591 | 2592 | 2593 | 2594 | 2595 | 2596 | 2597 | 2598 | 2599 | 2600 | 2601 | 2602 | 2603 | 2604 | 2605 | 2606 | 2607 | 2608 | 2609 | 2610 | 2611 | 2612 | 2613 | 2614 | 2615 | 2616 | 2617 | 2618 | 2619 | 2620 | 2621 | 2622 | 2623 | 2624 | 2625 | 2626 | 2627 | 2628 | 2629 | 2630 | 2631 | 2632 | 2633 | 2634 | 2635 | 2636 | 2637 | 2638 | 2639 | 2640 | 2641 | 2642 | 2643 | 2644 | 2645 | 2646 | 2647 | 2648 | 2649 | 2650 | 2651 | 2652 | 2653 | 2654 | 2655 | 2656 | 2657 | 2658 | 2659 | 2660 | 2661 | 2662 | 2663 | 2664 | 2665 | 2666 | 2667 | 2668 | 2669 | 2670 | 2671 | 2672 | 2673 | 2674 | 2675 | 2676 | 2677 | 2678 | 2679 | 2680 | 2681 | 2682 | 2683 | 2684 | 2685 | 2686 | 2687 | 2688 | 2689 | 2690 | 2691 | 2692 | 2693 | 2694 | 2695 | 2696 | 2697 | 2698 | 2699 | 2700 | 2701 | 2702 | 2703 | 2704 | 2705 | 2706 | 2707 | 2708 | 2709 | 2710 | 2711 | 2712 | 2713 | 2714 | 2715 | 2716 | 2717 | 2718 | 2719 | 2720 | 2721 | 2722 | 2723 | 2724 | 2725 | 2726 | 2727 | 2728 | 2729 | 2730 | 2731 | 2732 | 2733 | 2734 | 2735 | 2736 | 2737 | 2738 | 2739 | 2740 | 2741 | 2742 | 2743 | 2744 | 2745 | 2746 | 2747 | 2748 | 2749 | 2750 | 2751 | 2752 | 2753 | 2754 | 2755 | 2756 | 2757 | 2758 | 2759 | 2760 | 2761 | 2762 | 2763 | 2764 | 2765 | 2766 | 2767 | 2768 | 2769 | 2770 | 2771 | 2772 | 2773 | 2774 | 2775 | 2776 | 2777 | 2778 | 2779 | 2780 | 2781 | 2782 | 2783 | 2784 | 2785 | 2786 | 2787 | 2788 | 2789 | 2790 | 2791 | 2792 | 2793 | 2794 | 2795 | 2796 | 2797 | 2798 | 2799 | 2800 | 2801 | 2802 | 2803 | 2804 | 2805 | 2806 | 2807 | 2808 | 2809 | 2810 | 2811 | 2812 | 2813 | 2814 | 2815 | 2816 | 2817 | 2818 | 2819 | 2820 | 2821 | 2822 | 2823 | 2824 | 2825 | 2826 | 2827 | 2828 | 2829 | 2830 | 2831 | 2832 | 2833 | 2834 | 2835 | 2836 | 2837 | 2838 | 2839 | 2840 | 2841 | 2842 | 2843 | 2844 | 2845 | 2846 | 2847 | 2848 | 2849 | 2850 | 2851 | 2852 | 2853 | 2854 | 2855 | 2856 | 2857 | 2858 | 2859 | 2860 | 2861 | 2862 | 2863 | 2864 | 2865 | 2866 | 2867 | 2868 | 2869 | 2870 | 2871 | 2872 | 2873 | 2874 | 2875 | 2876 | 2877 | 2878 | 2879 | 2880 | 2881 | 2882 | 2883 | 2884 | 2885 | 2886 | 2887 | 2888 | 2889 | 2890 | 2891 | 2892 | 2893 | 2894 | 2895 | 2896 | 2897 | 2898 | 2899 | 2900 | 2901 | 2902 | 2903 | 2904 | 2905 | 2906 | 2907 | 2908 | 2909 | 2910 | 2911 | 2912 | 2913 | 2914 | 2915 | 2916 | 2917 | 2918 | 2919 | 2920 | 2921 | 2922 | 2923 | 2924 | 2925 | 2926 | 2927 | 2928 | 2929 | 2930 | 2931 | 2932 | 2933 | 2934 | 2935 | 2936 | 2937 | 2938 | 2939 | 2940 | 2941 | 2942 | 2943 | 2944 | 2945 | 2946 | 2947 | 2948 | 2949 | 2950 | 2951 | 2952 | 2953 | 2954 | 2955 | 2956 | 2957 | 2958 | 2959 | 2960 | 2961 | 2962 | 2963 | 2964 | 2965 | 2966 | 2967 | 2968 | 2969 | 2970 | 2971 | 2972 | 2973 | 2974 | 2975 | 2976 | 2977 | 2978 | 2979 | 2980 | 2981 | 2982 | 2983 | 2984 | 2985 | 2986 | 2987 | 2988 | 2989 | 2990 | 2991 | 2992 | 2993 | 2994 | 2995 | 2996 | 2997 | 2998 | 2999 | 3000 |
|----------|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-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|----------|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-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[illegible][illegible]

| | | | | | |
|-----|---------|----|------|-----|------|
| 70 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 71 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 72 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 73 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 74 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 75 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 76 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 77 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 78 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 79 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 80 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 81 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 82 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 83 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 84 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 85 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 86 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 87 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 88 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 89 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 90 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 91 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 92 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 93 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 94 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 95 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 96 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 97 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 98 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 99 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |
| 100 | Marlowe | 50 | 10.0 | 1.0 | 11.0 |

| | | | | | | |
|-----|---------------|-----|----|------|-----|------|
| 194 | Roath & Tynes | 114 | .. | 12.4 | 8.1 | 26.8 |
| 195 | Seamod | 114 | .. | 8.7 | 4.0 | 23.4 |
| 196 | East Mile | 87 | .. | 10.1 | 4.7 | 18.1 |
| 197 | Gough Estates | 121 | .. | 9.1 | 3.8 | 22.5 |
| 198 | Southport | 121 | .. | 9.1 | 3.8 | 22.5 |
| 199 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 200 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 201 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 202 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 203 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 204 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 205 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 206 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 207 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 208 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 209 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 210 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 211 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 212 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 213 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 214 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 215 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 216 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 217 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 218 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 219 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 220 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 221 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 222 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 223 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 224 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 225 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 226 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 227 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 228 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 229 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 230 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 231 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 232 | St. James | 180 | .. | 8.4 | 3.8 | 22.5 |
| 233 | | | | | | |

| | | | | | | |
|-----|-----------------|-----|-----|------|-----|------|
| 165 | Assac Br Ports | 254 | -8 | 12.1 | 5.3 | 9.7 |
| 162 | Br Commonwealth | 236 | +2 | 5.3 | 1.3 | 48.4 |
| 143 | Caladonia | 250 | -1 | 1.3 | 1.3 | 75.0 |
| 140 | Fiber (Assac) | 188 | -14 | 4.8 | 4.8 | 9.8 |
| 137 | Grady | 570 | -2 | 17.3 | 3.1 | 67.1 |
| 84 | Hunting Gibson | 85 | - | 6.6 | 5.0 | 1.5 |
| 47 | Jacobs (H) | 89 | - | 4.6 | 7.4 | 58.9 |
| 2 | LOPS | 34 | - | - | - | - |
| 1 | Lyle | 14 | +1 | - | - | - |
| 26 | Messy Docks | 14 | +17 | 6.4 | 5.8 | 1.5 |
| 1 | North Transport | 171 | - | - | - | - |

| 96 | P.O. Old | 568 | 20 | 5 | 5.5 | 5.5 | 3.5 |
|----|------------------|-----|----|-----|------|-----|------|
| 96 | Reaction Strath | 50 | 20 | + | 7.1 | 7.5 | 7.5 |
| 96 | Runners (Walker) | 55 | 20 | + | 7.1 | 7.5 | 7.5 |
| 96 | Tumbler Boots | 315 | 20 | -10 | 11.4 | 5.7 | 17.0 |

| 96 | FE | 215 | 5 | 5.5 | 4.1 | 11.2 |
|----|------------------|-----|----|-----|-----|------|
| 96 | Center Room | 225 | + | 6 | 7.5 | 7.5 |
| 96 | Headless Shin | 34 | .. | 3.1 | 5.5 | 7.7 |
| 96 | Leather Hovers | 215 | .. | 7.2 | 7.1 | 7.1 |
| 96 | Newbold & Burton | 12 | .. | 7.5 | 7.1 | 7.1 |
| 96 | Pittard | 87 | .. | 4.9 | 4.5 | 4.5 |
| 96 | .. | 112 | .. | 7.3 | 7.3 | 7.3 |
| 96 | .. | 112 | .. | 7.3 | 7.3 | 7.3 |

[illegible][illegible]

| | | | | | | |
|-----|-----------------|-----|-----|-----|-----|-----|
| 85 | Pinked 'A' | 100 | ... | 6.9 | 6.9 | 6.8 |
| 90 | SET | 172 | ... | 5.9 | 5.4 | 5.0 |
| 94 | Shaw Carpets | 43 | ... | 3.6 | 3.5 | 3.5 |
| 112 | Slender | 182 | ... | 4.7 | 3.8 | 3.8 |
| 27 | Smallsize (R) | 43 | ... | 2.9 | 2.7 | 2.7 |
| 27 | Speed Run | 38 | ... | 3.7 | 3.7 | 3.7 |
| 82 | Textured Jersey | 72 | ... | 3.3 | 3.1 | 3.0 |
| 83 | Tombstones | 118 | ... | 7.1 | 6.8 | 6.4 |
| 98 | Total | 714 | ... | 4.4 | 4.2 | 3.7 |
| 103 | Yordie | 140 | +2 | 8.2 | 5.9 | 5.8 |

TOBACCOS

| | | | | | | |
|-----|-------------|-----|----|------|-----|----|
| 175 | BAT | 358 | +7 | 12.5 | 3.4 | 35 |
| 182 | Imperial | 298 | +8 | 12.2 | 6.2 | 11 |
| 110 | Rotmans 'gr | 189 | .. | 8.3 | 4.7 | 47 |

* Ex dividend, * Ex ar, & Forecast dividend, * Current price, * Interim payment passed, * Price at completion, * Dividend and yield exclude a special payment, * The company, & Pre-merger figures, & Forecast earnings, & Capital distribution, & Ex rights, & Ex scrip of share, & Ex free, & Price adjusted for late dealings, & No special data.

28 19.9
29 18.8
44 11.7
62 22.8
28 18.7
34 14.4
31 18.1
29 20.7

● Ex Dividend. a For all. b Forecast dividend. c Current price. d Interim payment passed. e Price at conversion. f Dividend and stock price after payment. g Price of company. h Pre-merger figures. i Forecast earnings. j Capital distribution. k Rights. l Ex scrip or share price. m Tax free. n Price adjusted for later dealings. No dividends.

من الأصل

FINANCIAL SERVICES

Boom in employees' perks likely after change in National Insurance rules

The abolition of the maximum earnings limit on employers' National Insurance contributions in the Budget is almost certain to stimulate the provision of employee perks which the Government has done so much to discourage in recent years. Richard Thomson examines the options open to financial services companies, where salaries are high, in minimizing the effects of the change.

The Chancellor's Budget move to abolish the higher earnings limit on employers' National Insurance contributions will have companies running to their financial advisers. They are likely to be advised simply to do anything but pay your highest earning employees more money.

After the boom in perks during the 1970s to avoid high personal tax rates, the tendency in the last few years has been away from employee benefits as tax rates on the higher paid have fallen. But Mr Michael Koppel, tax partner of Spicer and Peeler, commented: "The

services companies wishing to increase employee benefits is that they have an impressive array of them already. Being experts in the field they have long since taken great care to reduce the high tax liabilities of their employees. Furthermore, there is an inherent danger in many perks that make companies unwilling to introduce them. A company car, for example, is an inflation proof benefit for the employee: the company is obliged to provide one, however high car prices may rise. Unlike a salary or bonus, the company has effectively lost control of the cost of the benefit.

While previously the pressure for perks came from employees wanting to avoid high tax rates, the incentive to introduce perks will now come from employers. And many may simply decide it is not worth the cost and the administrative nuisance.

On many fronts, banks, for example, are likely to find that there is not much more they want to do. Company cars have long been a standard benefit, and there is a limit to the number of cars an employer can give to a single employee. Cheap in-house mortgages are also standard, though here there is scope to give more of the same. Rates typically charged on such loans are around 5 per cent, but there is nothing to stop them dropping to zero if companies want them to.

Accountants, stockbrokers and other partnerships have more choice. Bonuses will be subject to the National Insurance charge just as salaries will be, so there is an incentive to minimize them. For equity partners this could be a relatively simple process. Instead of transferring profits to

The Class I rates on all earnings, incorporating the graduated scale and removal of the upper earnings limit are, for non-contracted out employees:

| | from 6.10.85 |
|------------------------------------|--------------|
| Earnings less than £35.50 per week | Nil |
| Earnings less than £25 per week | |
| Employee | 5% |
| Employer | 5% |
| Earnings less than £90 per week | |
| Employee | 7% |
| Employer | 7% |
| Earnings less than £130 per week | |
| Employee | 9% |
| Employer | 9% |
| Earnings up to £265 per week | |
| Employee | 9% |
| Employer | 10.45% |
| Earnings more than £265 per week | |
| Employee | 9% on £265 |
| Employer | 10.45% |

Contributions for the self-employed are as follows:

| | from 6.10.85 |
|-----------------------|--------------|
| Class 2 (weekly rate) | £3.50 |
| Class 4 | 6.30% |
| Lower limit | £4.150 |
| Upper limit | £13,780 |

From 6.4.85, half of the Class 4 contributions will be deductible from profits for income tax purposes.

them in the form of big bonuses, companies can simply increase the dividend on their shares which are now taxed as ordinary income. The effect for the share owner is therefore neutral and the company avoids the National Insurance payment.

Partnerships will have more room for manoeuvre

In many partnerships, however, the equity partners are registered as self-employed. The junior partners often are not. There is certainly scope in this case to make the junior partners self-employed as well so that they are assessed for National Insurance on that basis.

The rates for self-employed people are lower and the Budget increased these concessions. From April 6, 30 per cent of Class IV National Insurance

services companies, pensions are likely to prove one of the most useful ways of avoiding higher National Insurance payments.

Instead of raising salaries there is certain to be a tendency towards employers paying a larger contribution into an employee's pension scheme. The contribution avoids a National Insurance charge and is free of tax. The same goes for bonuses paid as contributions to a pension rather than directly to the employee. The logical step would be for company pension schemes to go com-

There is an inherent danger in many perks

pletely non-contributory (where all contributions are paid by the employer).

Further homes for fugitive bonuses or salary increases are likely to be share option and profit sharing schemes which so far have not been particularly common among the higher paid employees below board level. As Mr David Campbell of Bacon & Woodrow says: "These are the perks that could really grow as a result of the new National Insurance rules. They are very tax efficient, too." Since the time period for share option schemes to count as capital gains only was whittled down from seven to five years in last year's Finance Act their popularity has grown significantly. Employee share schemes have also caught people's attention.

Their popularity is now likely to mushroom among companies with many highly paid people as a further way in which to pay an employee without doing it through salary which triggers the National Insurance charge.

freemans

Preliminary announcement of consolidated profits for the 52 weeks ended 26 January, 1985

| £000's | 52 weeks ended 26 January, 1985 | 52 weeks ended 28 January, 1984 |
|--|---------------------------------|---------------------------------|
| Turnover including VAT | 358,683 | 319,079 |
| VAT | 41,861 | 37,133 |
| | 317,822 | 281,946 |
| Operating profit | 24,095 | 15,906 |
| Interest payable | 1,586 | 1,778 |
| Profit sharing scheme | 500 | - |
| Profit before taxation | 22,029 | 14,128 |
| Taxation | 9,820 | 6,379 |
| Profit after taxation | 12,109 | 7,749 |
| Extraordinary item - deferred taxation | - | 2,843 |
| | 12,109 | 4,906 |
| Earnings per share | 17.1p | 11.0p |
| Interim dividend paid | 2.0p | 1.9p |
| Proposed final dividend | 3.5p | 2.6p |
| | 5.5p | 4.5p |
| | 3,899 | 3,179 |

SALES EXPANDING

- full year improvement of 12.7%
- fashion goods led the way
- 610,000 active agents (last year 585,000)

PROFIT RECOVERY CONTINUING

- after more than doubling last year, profit before tax was lifted by 56% this time
- helped by healthy increase in sales per agent
- the new Profit Sharing Scheme has been allocated £½ million from profits

CURRENT BUSINESS ENCOURAGING

- Spring/Summer catalogue has been well received
- latest recruitment drive is winning agents
- hopeful that sales momentum can be maintained

Copies of the Annual Report and Accounts, when published, will be available from the Company Secretary (01-735 7644)

Freemans PLC 139 Clapham Road London SW9 0HR

COMBINED FOR GROWTH

COMBINED ENGLISH

PRELIMINARY ANNOUNCEMENT

PROFIT £9.16m UP 54%

DIVIDEND UP 40%

And a good start to the new year

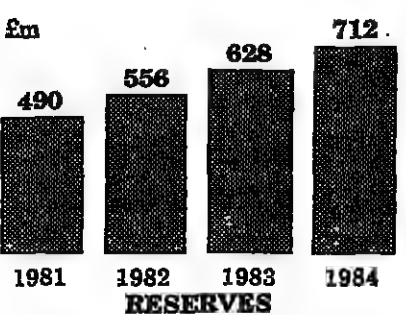
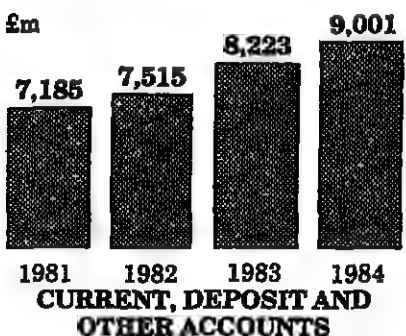
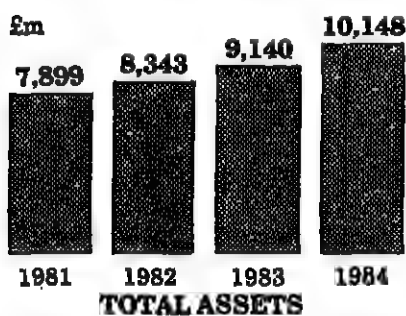
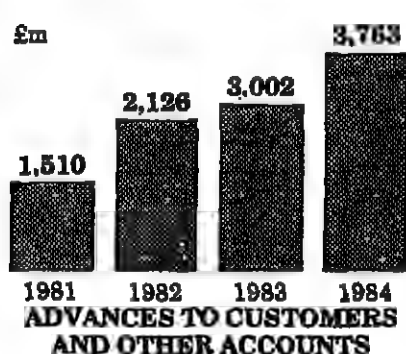
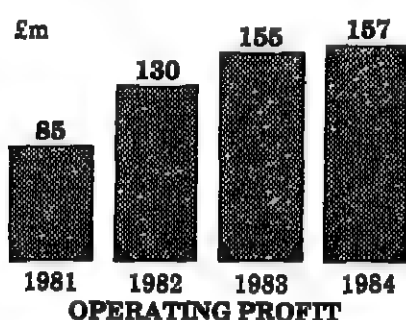
Summary of Results

for the 52 weeks ended 26 January 1985 - unaudited

| | 1985 £m | 1984 £m |
|---|------------|------------|
| Profit on ordinary activities before taxation | 9.16 | 5.95 |
| Taxation | 3.73 | 1.16 |
| Profit on ordinary activities after taxation | 5.43 | 4.79 |
| Extraordinary and other items | 0.10 | 0.27 |
| | 5.53 | 5.06 |
| Dividends | 2.63 | 1.72 |
| Balance transferred to reserves | 2.90 | 3.34 |
| Earnings per share | 10.16p | 9.62p |

The Directors intend to recommend a final dividend of 2.94p (1984 2.01p) per Ordinary share, payable on 2 July 1985 to shareholders on the register on 3 May 1985. This with the interim dividend of 1.96p (1984 1.49p) makes a total for the year of 4.90p (1984 3.50p) equivalent to 7.00p gross (1984 5.00p gross) after taking into account the related tax credit.

COMBINED ENGLISH



| £m | 1981 | 1982 | 1983 | 1984 |
|-----------------------------------|------|------|------|------|
| Banking | 79 | 121 | 125 | 115 |
| Instalment credit and leasing | 5 | 3 | 9 | 5 |
| Credit card operations | (6) | (3) | - | 7 |
| Insurance and unit trust services | 7 | 10 | 16 | 24 |
| Other services | - | (1) | 5 | 6 |
| SOURCE OF OPERATING PROFIT | | | | |

TSB earnings base continues to broaden

In the TSB Group Annual Report for the year ended 20 November 1984 Sir John Read, Chairman, said that 1984 was a year of reorganisation and development.

While banking still accounts for the major part of the Group's profits, other activities are becoming increasingly significant and last year contributed 26% of the total compared with only 7% in 1981. This continuing trend, particularly within TSB Trustcard (credit card company), TSB Trust Company (insurance services and unit trusts) and Swan National (vehicle rental) was well maintained in highly competitive markets.

It is planned to continue to develop the Group's core retail banking business, and with the increasing sophistication of the personal customer profile there is clear scope for further expanding the penetration and range of the Group's other financial services. At the same time, the commercial sector will continue to be developed, with the emphasis on the professions and small to medium size businesses.

It is expected that the completion of the transition of the TSB Group to plc status through the offer for sale of shares in the Group will take place late 1985 or early 1986, opening a challenging and exciting new chapter in the Group's history.

For a copy of the 1984 Report and Accounts please write to: Group Communications, TSB Group Central Executive, 25 Milk Street, London EC2V 8LU.

TSB
GROUP

COMPUTER APPOINTMENTS ☎ 01-837 1350

NEW YORK CITY - 1985

IBM ANALYST/PROGRAMMERS TO \$55,000 p.a.

IBM MVS COBOL CICS IDMS (ADS-ONLINE)

Our client, one of the most prestigious and successful stock-broking and financial companies in the world, has a need for some twenty Analyst/Programmers to assist them in their 1985 development programs.

Successful candidates will work in their luxury office accommodation in lower Manhattan, initially on a 12 month assignment.

Skills will ideally include a strong IBM background, but some opportunities will exist for candidates with strong IDMS knowledge in an ICL environment. Good analysis, design and programming experience is essential, preferably in a financial or brokerage environment.

Our client will conduct interviews in London during late March, with start dates up to June 1985.

Successful candidates will receive a full family relocation package and all necessary assistance and advice on moving to the United States.

For more information on these exclusive opportunities, please call Mary Coleman NOW or send your detailed resume to us at Computer People International, 68 St. Martin's Lane, London WC2. Tel: 01-836 8411. WE LOOK FORWARD TO HEARING FROM YOU.

*Opportunities will also exist for experienced IDMS DBAs and MVS/CICS Systems Programmers.

Computer People International
The Market Leaders.

SOFTWARE ENGINEERS FOR DATA COMMUNICATIONS

BASED

LONDON OR IPSWICH

"BT is dedicated to communications development because, to lead the field, we must make all the running."

BT have responded quickly and decisively to the challenge of privatisation and open competition. We've raised the pace in the race to develop new technologies. To be precise, we've opened two centres - one in London, the other in Ipswich - with a brief to pioneer new data communications systems and software. A brief that's already being fulfilled...

Packet Switchstream, KiloStream, MegaStream, SubStream, InterStream, VideoStream, X-Stream, TeleStream... wherever you look, BT is forcing the pace of data communications development.

And it's vital to maintain this impetus. After all, information technology is BT's stock in trade. We must make the running if we're to lead the field. That's the challenge of genuine state-of-the-art development.

"Integrated management systems, communications protocols, information systems, electronic funds transfer... just some of the challenges now on the stocks."

We are looking for innovators. Graduate-level men and women who can help us design and develop the systems and software for future generations of packet networks. With integrated management systems, communications protocols, information systems, electronic funds transfer and other fascinating assignments now on the stocks, you can appreciate the extent of this challenge.

BT's twin centres of advanced development
Salaries up to £16.7K

That's why we are purposefully keeping an open mind when it comes to selecting talent.

Essentially, we're after software experience. Matched to this, we are looking for a sound working knowledge of one (and hopefully more) of the following:
Data Protocols - X25, SNA, OSI - Software Design - PDP-11 - IBM Series 1 - Prime - Tandem - Unix - Database Systems - Network management - High and/or low level languages - IBM or other large mainframes.

It's a wide shopping list to suit an equally broad range of projects. However, all our Software Engineers/Designers share one vital quality: an agile intellect. A creative flair that will find unlimited expression at BT.

London - salaries from £9.7K to £16.7K

The main need here is for people with perhaps 12-24 months' software experience. We would even consider exceptional graduates, with little or no commercial exposure, who can demonstrate a real talent for database, network management and data communications development and support.

Some posts are also available in London for Senior Designers with 3-5 years' experience to lead software development teams.

Ipswich - salaries up to £15.3K plus relocation

Essentially we are searching for experienced System or Software Designers who can draw upon 3-5 years' large-scale development experience. Total professionals who can not only lead a design team but also confidently assume a consultancy role. These posts call for a mature, decisive yet diplomatic approach. (Assistance with relocation expenses is available.)

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British TELECOM
National Networks

Informal hotel interviews in London - next week

TO \$45k UK AND OVERSEAS

Communications / Network Experts Banking Corp

Programmers / Analysts / Project Leaders

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UK and Overseas

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0223 COBOL or PLI To \$20k

PROGRAMMERS/ANALYSTS/PROJECT LEADERS AND MANAGERS Required for Central London, Croydon, Luton. Technical ability, interpersonal skills essential.

USA Programmer to Consultant Level \$Excellent

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or Michael 01-248 0820

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ASB Recruitment

mtt

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The demand for our services continues to increase; as a consequence we are looking for good people with mainframe experience in the commercial field. MMT offers you the challenge of working with a wide variety of hardware and applications. Salaries are reviewed regularly, benefits include a share option scheme, and career development is based on merit. Ref: DF

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For our clients:

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Please send CVs to:

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Marking the envelope with the appropriate reference number, or telephone 01-437 8211.

Petroleum Negotiations Representative

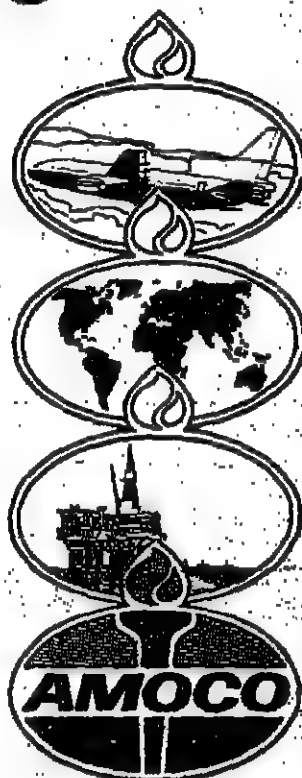
The Negotiations Department of Amoco Europe and West Africa, Inc (a subsidiary of Standard Oil Company, Indiana) is responsible for co-ordinating the activities of Amoco's negotiations with Governments and other Companies in connection with the acquisition, maintenance and disposal of oil and gas exploration and production rights in Europe and West Africa.

We are seeking to expand our negotiations staff by the recruitment of an additional negotiator. The ideal candidate would be a young Lawyer, experienced in the field of oil and gas exploration, preferably with a working knowledge of French. Prior negotiating experience is not essential but candidates should have an interest in developing a career in negotiations.

Applications from candidates without previous oil and gas experience will be considered if they can otherwise demonstrate their suitability. We expect the position to be filled by a candidate who regards foreign travel as a plus.

A first class salary will be offered commensurate with experience. Benefits and conditions are those normally associated with a multinational company. Comprehensive assistance with relocation expenses will be provided where appropriate.

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CET Council for Educational Technology

Software Systems Developments Officer

The Council wishes to appoint a Software Systems Developments Officer to monitor, advise on developments in computer languages, operating systems, expert or knowledge-based systems and artificial intelligence. The Officer would be a member of the Council's Information Technology Team and would be expected to contribute to discussions on the Council's IT development strategy and to oversee development projects.

The successful applicant will have significant practical and administrative experience in education and training and an understanding of software systems developments. Current involvement in the application of expert systems, logic programming or artificial intelligence within education and training would be an advantage. Project management experience would also be desirable.

The position is offered for a period of two years at a negotiable salary in the region of £15,000, and would be filled either by direct contract or by secondment from either education or industry.

Written applications accompanied by full curriculum vitae should reach the Office Manager, Council for Educational Technology, 3 Devonshire Street, London W1N 2BA (from whom additional information on the position and the Council may be obtained) by 15 April 1985.

Computer Development Manager Reinsurance Brokers

London c£25,000 + car

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It will involve a complete review of existing systems and procedures, the presentation of reports and recommendations to senior management and the implementation management of approved projects.

The position demands a state of the art knowledge of computer developments and suitable experience for applying them to the insurance industry.

Prospects may well include equity participation in a specialist subsidiary company.

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Ernst & Whinney

COMPUTER HORIZONS/1

A Budget boost for technology

The £43 million package unveiled in the Budget to increase the number of engineering and technical graduates from universities and other higher education institutes has been extracted from several sources. Not only have the Departments of Employment, Education and Industry and the Offices of Scotland and Wales contributed their part to the education budget but it also represents a concerted attack on the traditional approach to technical education.

The allocation of money has yet to be determined but it will undoubtedly be in the form envisaged by the Butcher Committee — John Butcher, junior industry minister, heads a committee which has reported twice on skills shortages. Under this system cash from academic sources is matched with that from industry.

The theme of the Budget package on technology education is meant to ensure that students have access to practical "hands-on" training and that part of the funding is laid at the door of industry. Butcher's committee had recommended "marriages" between industry and the establishment to create a new style of technical education. The budget proposal will, in theory, create the opportunity for 4,000 more engineering and technical students.

Industry must play a more definite role, the Government believes. Britain's performance, compared to that of our major industrial competitors is poor. We spend about £2.5bn a year on in-company training and education, but that compares unfavourably to the £5bn spent by Germany, £20bn by Japan and £60bn by America.

The Budget proposals will also ensure that £5m is to be released in the next

The Budget therefore is an attempt to extend technical education from primary school to higher education, and a White Paper outlining the curriculum is due to be published soon.

The next level is teacher training. Teachers, through the Budget package, are to be assisted in ensuring that technological awareness is improved, a new role for the Manpower Services Commission that is unlikely to endear it to the educational establishment, which is unsympathetic to a narrowly vocational education.

The expansion in the Budget of the Youth Training Scheme is to provide facilities for training more than 400,000 in one year at a cost of £800 million. But it is undoubtedly the case that industry will be asked to contribute a substantial amount to funding any scheme which requires on-the-job training.

The institutions of further education have been modestly provided with some resources. The partnerships between industry and academia so much favoured by the Department of Trade and Industry will be exploited by the new Cranfield Institute of Technology in Milton Keynes, which is due to open this year and a similar institute at the University of Salford. In both cases industry will play a vital part in providing funds and resources.

THE WEEK

Bill Johnstone
Technology Correspondent

twelve months to ensure that the quality of teacher education at a technical level is improved. Next year a further £20m will be pumped into the scheme.

That policy is a direct response to the recent report from the Lord's Select Committee on Science and Technology. Apart from criticizing the Government's frugal attitude it called for action. Like Butcher's committee, it clearly approved of the industry-academia marriage and concluded that the findings of technological education was inadequate.

Fourth generation takes the work out of design

By Russell Jones

Many of the tools and techniques used by data-processing staff are outdated. New fourth generation techniques can make such staff much more efficient.

What exactly is the fourth generation of computing? It represents a new method which allows users to be heavily involved in the design of computer systems, and which allows very powerful tools to be employed in actually writing them.

At the heart of the fourth generation is the use of a new method of computer-system design: prototyping. In using prototyping, business staff need supply only a high-level summary, written in business terms, of the overall scope of the processing of any new computer system. Then, after some brief preparatory work by design analysts from the computer department, users and analysts work together at a terminal. They use powerful software tools to build an initial proto-

type of the computer system required: they "paint" the formats of any screen displays the system will use, merely by entering these formats on to a blank screen; they define the information to be manipulated by the system; they provide editing limits and printing formats for every one of these items of information (for example "the customer account number must be six numeric characters, and should be printed in two blocks of three numbers"); they "draw" report formats, again using the blank screen concept, and they translate simple business processes into equally simple computer tasks.

Having written the skeleton of a program in this way, they try it out. Every time this is done, enhancements are quickly made, reflecting the comments of user staff. Eventually, the users and analysts will have built most of the processing required in the eventual system.

Apple set to gain by IBM's false step

By Kevan Pearson

IBM's withdrawal from the home computer business in the United States marked a rare false step for the American giant but it should make life easier for the US home computer stalwart, the Apple II.

IBM last week announced that it will stop production of its PC Junior home computer in April. The move was not totally unexpected. PCjr had not sold well in 1984 and the company made substantial revisions to the machine after it was launched.

That boosted sales in the second half of 1984 and in the run-up to Christmas. IBM cut PC prices generally to give PCjr a boost during the season. Christmas sales were reported to be well above expectations, although sales slumped again in February when PCjr reverted to its normal price.

The price cuts led to severe criticism from companies such as Apple, which claimed IBM was selling PCjr below what it cost to make the machine. It is widely felt in the US that IBM did not make any money on the PCjr. PCjr's poor reception meant it was never sold outside the US.

Sales of the Apple II also held up over Christmas and beyond. Continual enhancements and price cuts have kept the product viable even when such companies as Mattel, Atari and Coleco have been pulling out of the home computer market.

Apple's Macintosh has had some setbacks, despite its excellent easy-to-use features. It lacks appeal because it doesn't run most industry standard applications. Apple was hoping to remedy that situation with the launch in April of Jazz, from

Speculation is that the new machine will offer more functions and rectify omissions

Lotus Developments, the company which makes 1-2-3 and Symphony for the IBM PC.

But Jazz will be late. On the same day that IBM announced it was to pull out of the home market, Lotus said Jazz is two months behind schedule and will not be available until the summer, at least.

But Jazz will be late. On the same day that IBM announced it was to pull out of the home market, Lotus said Jazz is two months behind schedule and will not be available until the summer, at least.

Meanwhile, all eyes are back on IBM. The timing of the demise of PCjr could just be coincidence, but many US industry observers believe it is connected with the launch of the much rumoured PC replacement. The US micro industry is betting on a further price cut on the basic PC and the hard disc PC/XT is also possibly by as much as 20 per cent. That would put the PC at less than 50 per cent of its launch price. It would also help IBM clear the large inventories of PCs and XT's that have built up in preparation for the launch of the so-called PC2.

Current speculation says the new machine will be based on the same powerful chip used in the PC/AT. It is expected to offer many additional functions over the old PC and rectify many of the omissions found in design of the machine, which has not been enhanced since its launch in 1981. PC2 is expected to have many of the facilities that are extra on the PC as standard. If PC2 does use the AT chip, it could spell a different role for the PC/AT. IBM appears to have found another use for the PC/AT. It recently made several additions to the range by adding extra chips for different purposes. There are now two models of the AT with extra processors and more are expected.

Software that gets smart

From David E. Sanger
New York

Ask an assistant to prepare a monthly sales report, and chances are that he or she would use some common sense. The report would not be sent out until sales from all of the company's branch offices are included, and calculations — commissions, inventory levels and the like — are finished. And if the assistant values continued employment, copies of the completed report would be sent to the relevant managers.

But ask a personal computer to do the same job, and it would not show such good judgement. The computer would dutifully calculate all the numbers that it is given, but it would not peep at the Chicago office if its sales figures were late. It would make the final product look attractive, but it would not mail it out without prompting from a human.

Now, using techniques drawn from artificial-intelligence laboratories at some major research universities, a host of companies are developing a new generation of personal computer programs, so-called smart software. The aim is to knock some sense into otherwise mindless computers, getting them to understand and perform automatically the tasks that individual users struggle each day not to forget.

Already, some of the efforts have attracted a flood of venture capital and, to the minds of some, false hopes for instant progress. As Mitchell Kapor, chairman of Lotus Development, said: "Artificial intelligence could become the most abused buzzword of 1985."

Indeed, sifting the far-sighted from the far-out in artificial intelligence is difficult. The

Continued on page 29

Silicon Valley defector looks to the East End

By Alistair Guild

The path from Silicon Valley to the East End of London may not be a well-trodden one. In 1983 Timothy Eccles, now managing director of Whitechapel computer works, took something of a risk by returning to Britain from California's sunnier climes. It is a risk that is already showing signs of return.

The Whitechapel works is now looking for an additional £10 million partly to finance an intensified overseas marketing effort. Its original funding of £1 million came from the Greater London Enterprise Board and venture capitalists.

When I returned from California I had the vague notion that it would be fun to be incredibly rich," said Mr Eccles. He chanced to meet Bob Newman, a fellow ex-Logica employee, then lecturing on computer science at Queen Mary College, London. They shared a certain dislike of the feelings of inertia apparent within larger corporations. Mr Newman is now Whitechapel's technical director.

Mr Eccles insists that working in Whitechapel can be just as specialized as working in California.

The company's first product, described in last month's issue of Byte UK as a "dream computer", gives some indication of the level at which those sights have been set. The MG-1, a personal work station, seeks to bring about a convergence between work stations and personal computers so that specialized applications such as graphics can be carried out at an individual's desk-top along with everyday computing tasks.

Mr Eccles says: "We face the same sort of difficulties encountered by hardware manufacturers elsewhere in Britain. In Silicon Valley you can find a subcontractor within two miles' radius who will make any part you want."



Timothy Eccles: "I had the vague idea that it would be nice to be incredibly rich"

"By contrast our circuit boards are manufactured in Switzerland, the components are soldered in Stevenage and tested in Milton Keynes. They then come here, where they are mated with discs from Scotland and Japan. The metal box comes from Bexhill.

"As soon as there is any break in the supply chain production schedules are disrupted."

"A board of the size used by the MG-1 would take one day to make in California. In this country subcontractors say, it cannot be done."

Whereas other work stations use multiple printed circuit boards and associated backplanes, wiring harnesses and cabinets, the MG-1 is based around a single printed circuit board. This makes components and manufacturing less expensive and the size is more appropriate to a desk-top.

Fewer and fewer of the company's staff are now involved in research and development and more and more in sales and marketing and assembly. Mr Eccles says his workforce, and in particular

assembly staff, comes from a much wider range of backgrounds than would be the case if the company was located, for example, on a science park.

The sales team was hired from high-tech American companies. Mr Eccles says: "It was hard work to persuade someone to leave a secure career with outfits such as Digital. On the other hand, there is an attraction in working here. There is a much faster turn-around on ideas."

He cites the example of a US company which was developing a product similar to the MG-1 around the same time as Whitechapel. It spent \$10 million of venture capital on research and development, whereas Whitechapel had only £100,000 of seed corn investment from the Greater London Enterprise Board with a further £900,000 of institutional investment. The MG-1 is cheaper than the American product and took six months less to develop.

Mr Eccles is aware that Whitechapel is itself facing difficulties of size. By the end of 1985 the company will employ 70 people. "We will be forced out of our present 10,000 sq ft premises rented from the GLC into the wicker world of commercial rents and personal guarantees."

Whitechapel has established a substantial software base in Britain with software being written for the MG-1. Typically, companies buy the hardware, install their own software and then sell on the complete package.

"We will have to develop a new product every two to three years," says Mr Eccles. "The next stage is to produce a colour version of the MG-1. Customers are also asking for laser printers. We must aim for it to be a complete product."

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COMPUTER HORIZONS/2

A way in for the inexpert

By Geoffrey Ellis

If you have a software company riding high on the Unistat Securities Market, turning over £1.3 million and showing profits of more than £5 million, based mainly on the success of one package, there is a relentless pressure to follow that act with an even better performer.

The company in question, Comsoft, is hoping that a new suite of software offering the user almost everything they never knew they wanted until they tried it, will prove as big a winner for them as Delta, their bestselling database.

The product, christened Domino, enables a novice in micro-computing to exploit the multi-function package and use it for training sessions, simulations, assessments, pictorial database, and demonstrations.

Designer Nick Horgan, who founded the company with Heather Kearsley in 1979 operating from a converted cowshed, claims the package will allow non-experts to control computers. This philosophy was proven, he says, in the use of Domino in several of its test-sites, where the package was running, operated by unskilled



Nick Horgan and Heather Kearsley: novice idea

staff, without the benefit of a user guide.

One of the test sites, Scottish and Newcastle Breweries, ran the package to analyse faults in the bottling production line, allowing the operator to investigate a wide number of possibilities; if, for instance, bottles started to appear with misplaced or torn labels. Used in this way, the package can almost be looked upon, says Horgan, as an expert system, without the complications.



Marketing director Heather Kearsley admits to initial concern over the sales potential of a system, which did not fall clearly into any of the normal sectors of the market, but this worry has evaporated with the interest shown by the existing users of the Delta database and the new agreement of IBM (UK) to distribute the package through its PC dealer network.

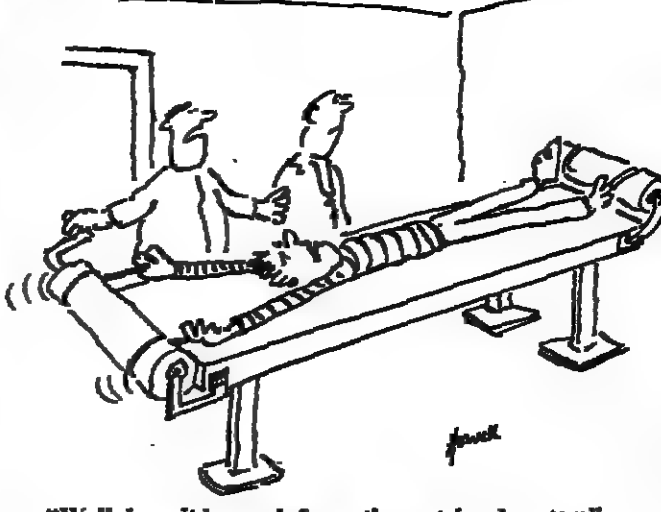
The suite, running on a 256K IBM PC and priced at £495, is to be translated into six other European languages.

High-tech help for the disabled

Imperial College is to introduce an M. Sc course in "foundations of advanced information technology" for highly qualified graduates in computer science, engineering or mathematics. Four major optional tracks will be available: intelligent knowledge-based systems, software technology, formal methods and theories and declarative system architectures.

The course will also deal with applications of computing, particularly in those areas supported by the Alvey programme. It is expected that the course will run both a full-time and part-time basis to allow industrialists to be brought up to date.

Contact: Professor I. Alexander, Department of Computing, Imperial College, Queen's Gate, London SW7 2BZ.



"Well, here it is: our information-retrieval system."

COMPUTER BRIEFING

been established, the database can be searched for appropriate travellers. Every handicapped person needs helpers, plus a back-up team of doctors, nurses and a chaplain.

All present, the database contains details of 3,649 disabled people, 288 doctors, 1,581 nurses, 276 chaplains and 4,588 other helpers. So successful has been the computer operation which has been organized by Datasolve, part of Thom EMI, that the trust is now able to sell some of its own computer time. Savings on salaries for the organization have reached £45,000.

A computer services consortium aimed at serving the northernmost region of Sweden and, specifically, the iron mining industry in Lapland, has been announced by LKAB, the state-owned mining group. The new company, M-Dat, is expected to be operational by May, giving the region its first commercial centre.



Digital Equipment has created a silicon chip assembly operation at its plant in Ayr, Scotland. The facility, which includes one of the largest "clean rooms" in Europe, cost £1.5m and is part of a major refit. Full production will start in July.

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Alternatively, leave a message on our 24-hour recruitment answering service on 0403 50294, or talk to Mike Short or Ray Spiers, Marketing Director, at CAD 85 in Brighton.



Software that gets smart

Continued from page 27

term embraces a whole range of programming techniques, from expert systems that try to encode the technical knowledge of doctors or engineers in a computer program to "natural language interfaces" that make it possible for computer users to give instructions to computers in plain English - or plain French.

Not surprisingly, efforts have been limited to the university laboratory, using huge mainframes. But as PC users have become increasingly frustrated with the unwieldy nature of spreadsheets and data bases, software houses have begun to look for ways to make programs mould themselves to the habits of users.

Among the first was a company called Micromin, which last year began marketing a PC program called Clout that added natural language features to a data program, which keeps complex lists. If a data base consists of a listing of the nation's 500 largest companies, with financial data for each, a user of Clout could type the command: "Rank the top 10 industries by average growth and earnings per share."

The program would then begin to parse the sentence, looking in its dictionary to discover that "rank" means "list in order" and that the term "average" connotes a specific mathematical calculation. Then it would sort each company by industry, determine the average growth and earnings per share for those industries, and produce the requested list. Wayne J. Erickson, Micromin's chairman, said. He added that Clout has sold "in the tens of thousands" of copies since it was introduced 10 months ago.

But critics note that plain English commands, though less intimidating than computer shorthand, produce a sugar-coated program. The underlying software is unchanged: if the user forgets to issue a command, or does not ask the right question, the program will be easily led astray. Thus, the task now is to develop programs that grow as they are used, that can "learn" repetitive office procedures and begin to perform rote tasks themselves.

Work is now under way at the Microsoft corporation in Washington on a system that monitors the user's every move. In time, the program would begin to catch on. It would suggest short cuts, reminding the user that the spreadsheet program, for example, includes a feature that copies a column of numbers so that time does not have to be wasted typing them in again.

BOXING

Pedroza's trek will not uncover the real McGuigan

By Srikanth Sen

Boxing Correspondent

It is a long way for Eusebio Pedroza, the world featherweight champion, to come from Panama City, Wembley to see Barry McGuigan defend his European title tonight, and then decide whether he fancies the Irishman as the next challenger for his World Boxing Association title.

Just as well it is all paid for by McGuigan's sponsors, Smirnoff, for the world champion is likely to see about as much of the real McGuigan as he would see of the real London if he were to travel on the Metropolitan Line from Baker Street to Wembley Park - all frosted bathroom windows, garden sheds and cats sitting on fences.

For the man McGuigan is meeting, Farid Gallouze, of France, does not really belong in the same ring with the world-ranked Irishman.

The discrepancy between the abilities of the two men is frighteningly obvious. While both boxers have had 25 contests, Gallouze has won 15, lost six and drawn four. Only five of his wins have been inside the distance. McGuigan, on the other hand, has won all but one (which he averaged), with 20 of his contests being stopped within the limit.

Though Gallouze has not been knocked out, he has been seriously hurt four times in his last eight contests and has had to be pulled out by his manager, Raymond Pettit. The men who stopped him were by no means in McGuigan's class. Gallouze has even been outpointed by a Dutchman, Roy Somer, a bananaweight, who stopped him in two rounds by Keith Wallace, the Liverpool flyweight.

The Frenchman's manager describes him as an aggressive fighter with an average punch. With no chin, no defence and a readiness to fight, Gallouze is just the kind of opponent McGuigan would finish off quickly. No wonder the British Boxing Board of Control has twice made representations to the European Boxing Union about Gallouze's unsuitability as an opponent for McGuigan. The EBU, who have in the past nominated no-hopers against men like Charlie Magri and Herol Graham, would not be swayed by the British Board. The EBU maintained that, regardless of McGuigan's superiority, the leading



McGuigan: different class

challenger in Europe should be given his right.

So the Irishman must go through the motions. The contest is no more than a one-rounder for such a high-class fighter as McGuigan. It will be interesting to see what sort of show the hospitable Irish put on for their distinguished visitor, Pedroza, at Wembley Arena tonight to induce him to sign on the dotted line for a defence against McGuigan this summer.

Frank Bruno gets a chance to show how far he has progressed since his last outing, against Phillip Brown. The American put on his skates and whizzed round and round the ring with Bruno trying to get him to hold still long enough to give him one. This time Bruno takes on Lucien Rodriguez, of France. Rodriguez is a perfect opponent for the British heavyweight. A former European champion, Rodriguez looks "safe". He is well past his best, but knows enough to make Bruno work. He is not likely to do our man too much damage. His chin is not too solid, either (he was knocked out in three rounds by Neville Middle and knocked twice in the eighth round by David Pearce), and the first Bruno right that lands on his chin should see him off and have everyone jumping up and down calling for the European champion, Anders Elund, of Sweden, to come on.

Ralph Irvine, of Pesham, the heavyweight who was disqualified after only 18 seconds on his professional debut, meets a former England amateur international, Martin Herdman, on April 1 in Billy Bird's second promotion at Dulwich Baths.

SKIING

Enn beats Bùrgler to the spoils

Heavenly Valley, California

(Reuters) - Hans Enn, of Austria, won the parallel slalom races which concluded the 1984-85 Alpine World Cup season on Sunday.

Enn beat Thomas Bùrgler, of Switzerland, in the final of the men's event. Rok Petrovic, of Yugoslavia, beat Oswald Toisch, of Italy, in third place.

Miss Pelen beat Traudi Maecher, of West Germany, in the women's final. Tamara McKinney, of the United States, was third after racing against Olga Charvatova, of Czechoslovakia.

The parallel slalom, which traditionally winds up the world Cup season, is a knock-out competition with skiers racing against each other in pairs. There were 32 skiers in each of the two divisions.

The races did not count towards individual standings but did carry Nations' Cup points, and Switzerland maintained their lead in both the men's and women's standings.

Driving snow and low temperatures made conditions difficult and Mare Girardelli, of Luxembourg, the overall World Cup winner, was among those who came to grief. He finished in fourteenth place after falling on his second run against Toisch. "It was difficult because I had no real goal", Girardelli said. "It was hard for me to get motivated."

NEWS PARALLEL SLALOM: 1. H Enn (Austria); 2. T Bùrgler (Switz); 3. R Petrovic (Yug); 4. O Toisch (It); 5. A Girardelli (Lux); 6. M Girardelli (Lux); 7. M Nussli (Switz); 8. J Nussli (Switz); 9. M Jahn (Switz); 10. P Zurborgner (Switz); 11. P Winklbauer (Austria); 12. S Konec (Yug); 13. A Sauer (Austria); 14. M Girardelli (Lux); 15. P Mueller (Switz); 16. Eppig (West).

WOMEN'S PARALLEL SLALOM: 1. P Pelen (West Germany); 2. T Maecher (West Germany); 3. T Maecher (West Germany); 4. O Charvatova (Czech); 5. M Wallner (Switz); 6. M Fegert (Switz); 7. M Jahn (Switz); 8. B Gauder (Switz); 9. G Gauder (Switz); 10. B Gauder (Switz); 11. E Winklbauer (Austria); 12. E Winklbauer (Austria); 13. E Winklbauer (Austria); 14. S Konec (Yug); 15. Eppig (West).

NATIONS' CUP FINAL STANDINGS: 1. Switzerland, 2,877pts; 2. Austria, 1,316; 3. West Germany, 885; 4. France, 885; 5. United States, 507; 6. Yugoslavia, 328; 7. Sweden, 286; 8. Luxembourg, 270; 9. Liechtenstein, 264; 10. Canada, 244; 11. Czechoslovakia, 205; 12. Spain, 106; 13. Poland, 80; 14. Bulgaria, 57.

RUGBY LEAGUE

Footballer's £20,000 for Wigan

By Keith Macklin

If Wigan win the double of Challenge Cup and Championship they will receive £20,000 from a former professional footballer who broke his leg in an FA Cup Final at Wembley. Dave Whelan was a full back in the Blackburn Rovers team beaten by Wolverhampton Wanderers in 1960. After his retirement from the game he set up his own business, JJB Sports, and his enthusiasm for Rugby League has led him to sponsor Wigan.

Whelan has told the Central Park Club directors and players that he will give £15,000 if Wigan win the Silk Cut Challenge Cup at Wembley on May 4 and a further £5,000 if they win the championship, sponsored by Slalom Lager.

Wigan, who last year sold 23,000 tickets for the Cup Final against Widnes and estimated their final following at nearly 40,000, were yesterday inundated with telephone calls asking for Wembley tickets after Saturday's victory over Hull Kingston Rovers.

The vice-chairman, Maurice Lindsay, said: "I am certain we will sell even more than last year's 23,000. Last time it was a novelty and most of our fans felt deep down that the team was not good enough to win the Cup, and so it proved. This year we believe we have the best team for 20 years and, with John Ferguson almost certain to be flown back from Australia for the final, we believe we can win. And so do our supporters."

Wigan continue their pursuit of the championship tonight when they entertain Oldham, who are third in the table, in a match sure to attract another five-figure crowd to Central Park.

Changing sides

Blackpool Borough have agreed to sell John Strickley, the winger, to Carlisle, their second division rivals, for £5,000. Strickley, aged 25, has been the club's leading scorer for the past two seasons.

YACHTING

Three for Australia

From John Robertson

Sydney

Following eight races on Melbourne's Port Phillip Bay and in Bass Strait, the Danahill Australian Admiral's Cup team has been selected as Drake's Prayer, Intrigue and Challenge III.

Drake's Prayer is a Sydney-based yacht owned by one of Australia's best-known yachtsmen, Peter Korts, a past Sydney-Hobart race winner who has twice represented Australia in the Admiral's Cup, captaining the team in 1983. Lou Abrahamson of Melbourne, the owner of Challenge III, is also a past Sydney-Hobart race winner, while Don Calvert, the owner of Intrigue, is a former Australian champion.

This year, at the request of the owners, selection was strictly on the basis of points scored over the trials series. This year's trials attracted a larger fleet than ever before, with 17 yachts seeking a place in the team, 12 having been built with selection for the team as their aim.

The three selected yachts are in the bottom half of the 30-40ft rating band into which Admiral's Cup yachts have to fit. Intrigue is the smallest of the three. Rating at 30.38, she is a Tony Castro-designed yacht, and unusual by today's standards, being built of a combination of King Billy pine and cypress, topped pine, both native Tasmanian



Alan Bond: beaten

woods. All the crew are Hobart yachtsmen, and bet for rigging problems in the last race. Intrigue would have been the top scorer of the trials.

Amongst the other yachts in close contention for a place in the team was a new Ben Lexcen design for Alan Bond, Apollo VI. She was stacked with former members of the America's Cup-winning crew, and members of the crews for his two possible America's Cup defenders. They won the first race of the series, and then suffered two bad races, including a disqualification, and missed selection by 14 points.

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POINT-TO-POINT

Random Leg's late switch proves a wise decision

By Brian Beel

Testing conditions predominated on the point-to-point scene on Saturday but all 14 meetings went ahead. The Grafton, however, was almost a casualty because there was doubt as to whether the ambulance would be able to negotiate the mud at Wollington.

Because of this uncertainty, Graham Pidgeon switched Random Leg to the Wotton. "A wise decision," his daughter, Jenny said after Random Leg had won the ladies' race by a length from Linnet. "On that form he would not have beaten Brockie Law." Nevertheless, she was delighted with the result as the stable has been plagued by virus.

Predictably, Brockie Law won the corresponding race at the Grafton for Teresa Webber. Her brother, Paul, won the open on Britway, who ran on gamely to beat Solidity by a length.

Embo, winner of the Cheltenham Foxhunters for Norman Mawle, won the Audi qualifier and will again go for the final at Sandown which he won last year. He was ridden by Alan Hill, who completed a double for the stable when winning the open on Just Once. The other Mawle winner, Sunlyn, finished fourth in the maiden to Castle Andra.

It was ironic that Straits, who was awarded the hunt race last year when Egbert lost his weight cloth, suffered a similar fate this year, the race going to Crozanna.

The loss of a weight cloth was subject of many a discussion at the Eglinton, where Flying Ace's supporters were still smarting from their disappointment at Keston on Wednesday. The local champion was rested this week but his half-brother, Eye Valley, won a thrilling maiden race for Doreen Calder by a short head from Secret Base. Flying Ace's Flying Express, was second to Drummond Lass in the adjacent.

Stewart Dickin gave up the mount on Jimmy Thompson in the hunter chase at Bangor to his wife, Karen, and went to the Maywell and South Staffs to ride two winners, Court Papers and Steelfly. Although a hot favourite for the first division of the open, Court Papers won by only a head from Robin Greenway on Snow Buck. The latter was making his first appearance in a point-to-point after a 30-month lay-off.

Greenway had earlier won a division of the Audi qualifier by 25 lengths on the Luggelly Boy. Luc Crow won the other on Fruit Farm.

In the corresponding event at the Vale of Clwyd, only seven went to the post. Ferret made practically all to win by half a length and provide the first of a double for Richard Mathieson who later won the PPOA race on Moonlight Alley.

Prominent Artist, formerly with the Dickinsons, had his first point-to-point win for his new owner.

Oliver Vaughan-Jones. This was at the Fitzwilliam where Jane McMath once again dominated the ladies' race on Mac Kelly, who now is a clear leader for the Grand Marnier Trophy. At this meeting, Willie Sportborg and French Saint repeated their success in the open at the Cambridgeshire last Thursday.

David Turner drew a blank on Saturday after his Thursday double on Barnick and Middle River but his rival, Peter Greenall, won on his own horse, Lay-The-Tump, at the Ross Harriers.

After riding Captain Clover into second place behind Prince Milbourne in the members' race at the Eglinton, Jenny Hemmby confirmed that she is retiring. She has ridden 48 winners between the flags, and has taken part in two Grand Nationals.

Luke Harvey: rode a double at the VWH meeting

At the Vale of White Horse, Tim Foster, was present to see his runner. When in Rome, win the maiden in the capable hands of Luke Harvey. Harvey, who is a pupil with Foster, went on to complete a double when winning the 24-runner adjacent on Game Trust for Colin Nash.

Tim Rooney and Joe Price both had doubles in the Luggelly, where Wade Willis had his first winner, after trying for three years, when Purple Haze won the adjacent.

In the ladies' race at the Luggelly, five hopes were closely bunched at the last fence, where Isotip fell. Sally Palmer, who had led throughout on Solar Skip, kept him going in a thrilling finish, in which little over a length separated the first four, to record her first win.

Conditions were very testing at Teeside Park for the Harworth. One who revelled on this going was Whiggie Geo, who qualified for Sandown by winning the Audi adjacent in the fastest time of the day.

Mark Ashton, on only his second ride, won his first race when Mr Lark took the adjacent at the Grove and Redford but had to survive an objection.

Law Report March 26 1985

Vendor must pay commission to two estate agents

Lordgate Properties Ltd v Balcombe and Another
Before Mr Justice Drake
[Judgment delivered March 19]

A vendor could be liable to two estate agents in respect of the same transaction either if both agents were instrumental in effecting the sale or if the vendor's different contract with each agent entitled each of the agents to commission for different reasons.

Mr Justice Drake so held in the Queen's Bench Division when giving judgment for two estate agents on the trial of an issue, whether the vendor of the leasehold interest to his flat, Mr Edwin Kesteven Balcombe, was liable to pay commission to the plaintiffs, Lordgate Properties Ltd, or to the second defendant, Brian Luck & Partners Ltd, or to both.

The plaintiffs on a Wednesday introduced a Mr Saeed to the property and to the vendor. Two days later, on a Friday, Mr Saeed again viewed the property, this time with the second defendants and through them put forward an offer of £150,000 which was refused. The vendor's son then dealt with negotiations.

On the following Monday Mr Saeed put forward an offer of £160,000 through the second defendants. He then put forward an offer of £160,000 through the plaintiffs and finally outbid himself by an offer of £165,000 through the second defendants which was accepted and led to contract and completion.

Mr Michael Brindle for the plaintiffs, Mr John Hamilton for the defendant vendor, Mr Terence Mowchensohn for the second defendants.

MR JUSTICE DRAKE said that the vendor agreed that the plaintiffs should try to find a buyer and agreed to pay them commission of 3 per cent of the sale price plus value-added tax in the event of their "introducing an applicant who purchases the property". The vendor also instructed the second defendants as agents to find a buyer. The contract with the

second defendants obliged the vendor to pay commission not only if they introduced a purchaser who subsequently completed but also in the event that they were instrumental in negotiating a sale by private contract even where they had not introduced the buyer to the vendor.

The action of the plaintiffs in introducing Mr Saeed remained one of the efficient or effective causes of the final sale at £165,000. But it was the second defendants who were, in the words of their contract with the vendor, "instrumental in negotiating a sale" at that price.

Each contract between a vendor and an estate agent depended upon the exact terms of the contract in question and upon the true construction of those terms. The vendor entered into different contracts with the two agents who claimed commission.

The plaintiffs introduced the buyer and the second defendants were not entitled to commission on the basis of doing so. But there was no answer to the second defendants' claim for commission on the alternative provision in their contract as having been instrumental in negotiating the sale.

It would be unusual for a vendor to find himself liable to two agents on the basis that each had been an effective cause in bringing about the sale, without the chain of causation on the side of one agent being broken by the acts of the other agent.

The second defendants were instrumental in negotiating the sale and were entitled to their commission. But the plaintiffs introduced Mr Saeed and that introduction remained an effective cause of the sale at £165,000 with the chain of events not broken by the second defendants. The plaintiffs were also entitled to their commission.

That unusual situation of a vendor being liable to pay commission to two estate agents was brought about by the action of the vendor, through his son, indulging in the practice known as gazumping and in using the services of two agents to help him bid up the price. Solicitors: Memory Crystal & Co; Stallard & Co; Fugler Middleweek.

£100 for five months loss of hot water

Taylor v Knowles Borough Council

A judge's order against a housing authority to pay compensation of £159 to a tenant for (1) the interruption of his hot water supply for five months, and (2) a leaking bathroom ceiling for eight months, was not obviously wrong.

The Court of Appeal (Lord Justice Fox and Mr Justice Boreham) so held on March 21 in dismissing an appeal by the tenant of council premises from a judgment of Judge Davies, QC, in St Helen's County Court who ordered the Knowles Borough Council to

pay that sum by way of general damages to the tenant for the breaches of its implied repairing covenants under section 32 of the Housing Act 1961.

LORD JUSTICE FOX said that the tenant was a young man with relations in the neighbourhood. The ward, by a very experienced judge, of £100 for loss of hot water for five months from January 1982 and of £59 for an unrepaired leak in his bathroom for eight months in 1983 was not so clearly wrong that the court should interfere. Different considerations might have applied if the tenant had a young family.

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We are seeking a qualified solicitor with 2-4 years' contracts commercial experience. Aged between 28 and 32, you will be ambitious and enthusiastic, with a high degree of resourcefulness.

For further details please contact Marie Smith on Reading (0734) 509151 (24hr ansaphone), Kirby Professional Recruitment Ltd, 24-26 Queens Road, Reading, Berks. RG1 4AU.

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MP

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Applications for this post quoting Ref: PW/C/132 should be made to Reuter Simkin Limited, 26-28 Bedford Row, London WC1R 4HE. Telephone: 01-405 6852. Fax: 01-405 3677. Telex: 884064.

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**Contracts Officers
Sign up for a brighter future
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Software Sciences Limited, backed by THORN EMI and one of the country's leading computer software and systems specialists, is urgently seeking to appoint three men or women to the following positions within our Contracts Department:

Senior Contracts Officer**to £13,000**

We are looking for an experienced, hardworking Senior Contracts Officer, reporting initially to the Corporate Contracts Manager, to provide a total service to our associate company, THORN EMI Computer Software. Your immediate concerns will be setting up procedures for contract monitoring and account management, organising and implementing a computerised indexing system, assignment of the newly acquired contracts and renegotiation of existing contracts where necessary.

The job will also include the drawing up and drafting of a new set of standard form contracts and thereafter you will be responsible for day-to-day contract management and negotiation, involving mostly agent, distributor and license type contracts for software packages, possibly on a worldwide basis. The successful applicant will be assisted by two Contracts Officers. Ref. CO1.

Contracts Officer - MOD**to £13,000**

Your main responsibility in this role will be to process and negotiate MOD contracts, export tender vetting and generally assist the Software Sciences Limited Senior Contracts Officer in a wide variety of duties, from drafting and updating standards and re-negotiating old agreements to settling disputes, and producing large bid documents. You will also attend client meetings to discuss potential new contracts.

Aged at least 24, you should be qualified in Law or Business Studies to HNC or degree level. In addition, you should have 3-5 years' experience in the MOD contracts field, including a good working knowledge of licensing and export contracts. Ref. CO3.

Contracts Officer - Commercial**to £12,000**

In this position, you will assist the Senior Contracts Officer for Software Sciences Limited in a number of duties: vetting tenders and producing contractual compliance statements both for the UK and overseas, drafting and updating product agreements, licenses, and consortium agreements, re-negotiating old agreements, and drafting bid bonds and bank guarantees. You will also be advising technical personnel on contractual issues, and attending client meetings to discuss contractual agreements.

Educated to at least 'A' level standard, you should be familiar with contract law and have 2-3 years' experience in the commercial field. Ref. CO4.

For all three positions, the ability to work under pressure and on your own initiative is essential. If you have the right level of experience and are looking for a challenging and rewarding role within a dynamic and growing environment, please contact, quoting the appropriate reference: Lynne Goulding, Software Sciences Limited, Farnborough, Hants. GU14 7NE. Tel: (0252) 544321.

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Major International Company requires Analyst/Programmers with at least 2 years' experience of COBOL/CICS, hopefully with VM/CMS. Knowledge of ADABAS/NATURAL or other Database Software an advantage. They also offer practical training and encourage the acquisition of new qualifications to assist and encourage policy of promotion from within. Additional benefits include non-contributory pension scheme, sports and social clubs etc.

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